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Tuesday March 30 1976

**10p

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NEWS SUMMARY

GENERAL

Hain
identity
parade
riddle

Peter Hain, the Young Liberal leader, snatched £490 from a Barclays Bank cashier on the spur of the moment. Mr. Michael Corkery, prosecuting, suggested at the Old Bailey yesterday. Hain pleaded not guilty to stealing the money.

Mr. Corkery said that at an identification parade three days after the robbery at the Putney bank, an accountant had been unable to say whether Hain was the man he had chased, though there was a resemblance. The robbed cashier had picked him out, but another teller pointed to a different man. Hain denied he had been to the bank.

The case presents a series of strange coincidences. The robbed cashier is named Mrs. Haines, the bank accountant who chased the thief is Mr. Timothy Haynes, the police photographer is Mr. Haynes and the fingerprint officer is Mr. Haynes. The trial continues today.

Britain must
arrest Smith,
says Kaunda

President Kenneth Kaunda of Zambia has called for British military intervention in Rhodesia and the imposition of a settlement leading to majority rule within a year. He said this was the only alternative to an escalating guerrilla war against the White Rhodesians and suggested that Britain should arrest Mr. Ian Smith and his Ministers and dissolve the Rhodesian Parliament. Back Page

South African
baton charge

Twenty-four workers were taken to hospital after South African police made a baton charge on Blacks outside the Johannesburg factory of Heilmann Electric South Africa. The company, in which Barlow Rand, the mining group, has a large stake, is an associate of a U.S. electrical concern. It has refused to recognise the All-African Metal and Allied Workers' Union and last week dismissed the work force of 600.

Rugby captain
fights for life

Welsh rugby captain Mervyn Davies is fighting for his life and is unlikely to play again, according to a Cardiff neurosurgeon. The British Lions' star was taken to hospital on Sunday with a brain haemorrhage after collapsing during the match between Swansea and Pontypool at Cardiff Arms Park. He has regained consciousness.

'Revenge' bomb

Scotland Yard detectives are working on a theory that the Olympia bomb on Saturday was planted by members of a South London Provisional IRA cell as a gesture of defiance after the discovery of two bomb factories in Clapham. Dom Basil Hume, the new Archbishop of Westminster, condemned the attack on behalf of the Catholic Church.

Life raft 'rotten'

The crew of the 'Loyal', a sinking cargo ship, jumped into a life raft only to discover it had not inflated properly because part of the fabric had rotted, counsel for the Department of Trade told an inquiry at Swansea. The ship and 11 of its 13-man crew were lost in January, 1975.

Lost chords

A Wimbledon couple obtained an injunction in the High Court against the musical family in the flat downstairs. Trumpet-playing was banned and performing hours on the clarinet, piano, viola and violin were curtailed. The family was ordered to pay costs, to the tune of £2,000.

BUSINESS

Equities
down 4;
£ equals
closing low

● **EQUITIES** were unsettled by gloomy economic predictions. The FT 30-share index closed at the day's low, 4 points down at 400.4.

● **GILTS** opened lower but picked up throughout the day. Initial losses were made good. Shorts closed with gains to 7.5.

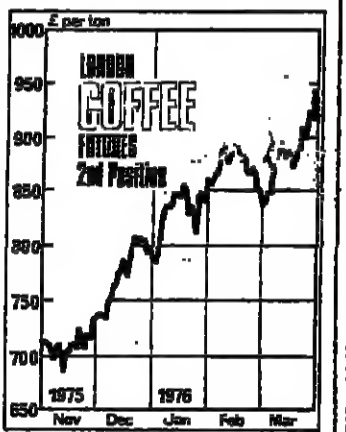
● **STERLING** fell 35 points to \$19.70. Its trade weighted depreciation widened to 33.9 (33.3) per cent, equal to the record closing low. The dollar continued to improve: its fall narrowed again to 2.04 (2.12) per cent.

● **GOLD** lost \$11 in moderate trading to close at \$120.1.

● **WALL STREET** closed 0.06 lower at 987.40. There was no apparent reaction to the 0.8 per cent rise last month in the U.S. index of leading economic indicators. The earlier figure of 2.2 per cent, for the January rise, had been revised down to 1.5 per cent. Page 5

Coffee reaches
new record

● **COFFEE** prices resumed their climb yesterday. The London terminal market saw record quotations: the May (second)



position touched 1944 a tonne before closing £23 above the week-end level at £943.5. Page 33

● **PROMPT ACTION** is expected from the Government to exempt oil-shore oil and gas installations from local authority rates. Granpian regional council yesterday assessed BP's Forties field at a rateable value of £8.5m. Page 8

● **OIL COMPANIES** have been told by the Government that it wants up to two-thirds of North Sea oil production refined in the U.K. Page 10

V and G report
due out soon

● **DEPARTMENT** of Trade report into Vehicle and General Insurance is expected to be published soon. The company collapsed in 1971 leaving a million motorists without cover. Back Page

● **ICI DECISION** to grant sole bargaining rights for some 9,000 senior managerial and professional staff to the Association of Professional Scientists and Technologists - a non-TUC union - drew warnings of non-co-operation from manual labour unions. Page 13

● **BOOKER McCONNELL** group pre-tax profits rose 16 per cent last year to £16.13m. The U.K. companies earned 75 per cent of the total. Page 22 and Lex

● **Talks** began yesterday with the Guyana Government on the terms for the acquisition of the Booker companies there. Page 35

● **BARRATT DEVELOPMENT** first-half pre-tax profits advanced to £1.96m. (£2.62m), including £1.24m. from the recently acquired H. C. James. Page 23 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)	FALLS
RISES	
Treasury 10½p 79.595 + 3	
Amber Day 27 + 3	
Barratt Devs. 119 + 4	
Berisford (S. and W.) 137 + 6	
Bifurcated 42 + 4	
Booker McConnell 141 + 13	
Dundonian 44 + 4	
Fertileman (B.) 45 + 4	
Gardner (L.) 86 + 4	
Lankre 133 + 3	
Leatre and Garton 121 + 3	
Marshall (Hull) 94 + 6	
Martin (Tom) 63 + 4	
Redfern Nat. Glass 80 + 4	
Reed (W.) 32 + 4	
Sandwood Radio 12 + 2	
BP 615 + 5	
De Beers Ltd. 212 + 5	
Sabina 93 + 6	
FALLS	
Assed. Newspapers 108 - 4	
Avon Rubber 76 - 5	
British Leyland 27 - 3	
Burgess Products 241 - 31	
Gerrard and National 235 - 15	
Glaxo 377 - 6	
ICI 283 - 4	
Lyons (J.) 128 - 8	
Nat. Westminster 233 - 5	
Newman-Tanks 40 - 6	
UDS 83 - 5	
Ultra Eclair 24 - 4	
Union Discount 321 - 10	
Warren (James) 38 - 5	
Ultramar 157 - 5	
Cons. Gold Fields 132 - 11	
Free State Geduld 118 - 16	
Southern Kinta 73 - 16	
Southern 425 - 20	
Trench 81 - 5	
Westfield Minerals 164 - 8	

No more Concordes
to be sanctioned
unless ordered

BY MICHAEL DONNE: PARIS, March 29

The British and French Governments after nearly four hours of talks here to-night postponed any final decision on the Concorde programme. They decided that no further Concordes beyond the 16 already committed will be sanctioned until justified by additional orders.

Those taking part in the talks were M. Marcel Cavallie, the French Secretary of State for Transport, Mr. Gerald Kaufman, Minister of State in the U.K. Department of Industry, and Mr. Stanley Clinton Davis, Parliamentary Under-Secretary of State in the Department of Trade.

Mr. Kaufman said afterwards that no proposals for the production of additional aircraft had been put forward by either side. Any decision to build more Concordes would have to be "taken on the evidence" and so far there was no evidence to justify the investment that would be involved.

Positive

The decision undoubtedly came as a blow to representatives of the British and French trade unions who were lobbying in force outside the French Ministry of Transport, where the meeting was held.

Two positive steps did emerge from the meeting. The first was that the two governments reaffirmed their intention to support every effort to accelerate the opening of new Concorde

routes to the U.S. and other parts of the world. It was pointed out that both sides in the Concorde programme saw early expansion of the route network as a main source of future airline interest in the aircraft, and therefore, the possibility of new orders.

The Ministers also said that they had instructed their officials immediately to examine the way in which a second generation supersonic transport ought to be undertaken.

This did not mean that the two countries were about to embark on a Mark II version of the Concorde; they could hardly do that in the absence of orders for the first generation.

What it did mean was that both sides remained confident that having arrived, the supersonic transport era was here to stay, and all possibilities of developing it should be studied.

Although it was not admitted in the joint communiqué, it was made clear that Britain and France would be looking towards possible eventual collaboration with the U.S.

This was a very long time was that the two governments agreed and the two Governments reaffirmed their intention to support every effort to accelerate the opening of new Concorde

ing route network to generate additional orders. It was pointed out that of the 16 aircraft authorised in production, only nine had been sold.

A basic aim will be to try to persuade Air France, which has ordered four Concordes, to order a fifth to bring its fleet into line with that of British Airways.

Realism

For the rest, the two Governments will try to ensure that countries which have options or letters of intent—Iran and Communist China—confirm the contracts as soon as possible.

The communiqué said: "Given the heavy investments made by both countries in the Concorde programme, they will support only efforts made to accelerate the opening of all routes capable of being operated by Concordes."

Picture, Back Page

Shipowners agree to talks
about aid for yards

BY JOHN WYLES, SHIPPING CORRESPONDENT

MINISTERS edged shipowners closer yesterday towards a joint attempt to avert large-scale shipyard closures.

With the shipbuilding industry facing widespread redundancies by the end of this year unless more orders are secured, the General Council of British Shipping responded to a low-key Government appeal by agreeing, subject to approval of its general policy committee, to take part in tripartite talks with a view to assisting the British shipbuilding industry in its present difficulties.

This prospect of co-operation between shipbuilders and shipowners came at the end of a 48-minute meeting which included a grim outline of the crisis facing the shipyards from Mr. Eric Varley, Secretary of State, and Mr. Peter Shore, Secretary for Trade.

The proposed tripartite talks, which would involve the Government and British Shipbuilders, the State corporation which will run the shipbuilding industry after nationalisation, were welcomed last night by Mr. J. Graham Day, chief executive-designate of British Shipbuilders.

"The sooner the talks go ahead, the better," he said.

Some shipbuilding companies may be disappointed by the Government's mid-glove approach yesterday in the light of recent Department of Industry statements that coercive measures to force U.K. shipowners to buy British had not been ruled out.

But the strength of the shipowners' case for buying ships at competitive prices abroad has impressed Ministers, who now appear to hope that shipowners and shipbuilders will first agree on the scale of business they can do with each other, and then tell

the Government what it must do to clinch arrangements.

At the least, suggestions for Government aid are likely to include better credit facilities than now, under OECD understandings. Credit arrangements, allied to competitive pricing and delivery dates, account for the fact that U.K. owners placed only 11 per cent of orders with U.K. yards last year, compared to the traditional 30-35 per cent. But the GCBS also suggested talks on owners possibly chartering vessels from British shipbuilders.

The tanker industry's International Maritime Industry Forum had its first meeting in London yesterday since the appointment in January of its chairman, Sir James Dunnell.

Mr. Dunnell, who is also chairman of the U.K. shipping industry, is pledged to consider means of attacking the world tanker surplus.

Callaghan poised to take lead

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN is widely expected at Westminster to take the lead from Mr. Michael Foot in today's second ballot in Labour's leadership election.

After another exhaustive head count yesterday, the Foreign Secretary's supporters predicted that he would head his main rival for the Prime Minister's office by about 145 votes to 130.

Their most optimistic assessment was that Mr. Callaghan might just gain the 158 votes needed to secure an outright victory; their most pessimistic figures put him no more than half a dozen votes behind Mr. Foot.

Voting in the second ballot ends at noon to-day and the results will be announced at 5.30 p.m. in a special meeting of the Parliamentary Labour Party from

in a committee room off the ancient Westminster Hall.

If a third ballot is necessary, as seems likely, voting papers will be distributed tonight and the poll will end on Monday, the day before the Budget. Reports that the period for the third ballot might be cut to settle the leadership issue this week were firmly denied yesterday by Labour Party officials.

Whatever the outcome tonight, Mr. Callaghan's supporters were confident that the Foreign Secretary would finally emerge the victor by some 30 votes. Supporters of Mr. Denis Healey, the Chancellor, now well ahead in the race, would switch almost entirely to Mr. Callaghan, it was said.

Speculation that a change in the Labour leadership makes an Autumn appeal to the electorate more likely appears to come from mainly Conservative

sources. It is largely dismissed by Labour MPs who believe that Mr. Callaghan's inclination would be to hang on, if possible, until the Autumn of 1977.

Only a marked shift in public opinion towards the Government after a successful extension of the period of pay restraint, it is believed, could tempt him to call a general election.

While such backstairs gossip reflected the confidence of the Callaghan camp, however, Mr. Foot's supporters still refused to concede defeat.

The Employment Secretary's campaign managers, on figures which compare closely with the worst of the Callaghan calculations, estimated that Mr. Foot was hanging on to his first round lead of six votes.

Strenuous efforts were being made to counter suggestions that Mr. Foot's Left-wing socialism would automatically cost Labour the next general election.

Chrysler
expects
small 1977
profit

By Terry Dodsworth in Coventry

CHRYSLER U.K. expects a turnaround from losses of about £10m this year to a small profit in 1977, if the present state of industrial peace is maintained. The expected profit was described yesterday by Mr. Don Lander, head of Chrysler in Europe, as "marginal."

But executives of the company were confident that it could be achieved if the full programme of 8,000 redundancies under the Government's rescue plan were implemented. The company was well on the way to the target.

Slim down

Under the Government rescue Chrysler will slim down to virtually half its size two years ago.

Its recovery may be helped by the unexpected upswing in British and European car markets this year. All its sales targets were based on conservative estimates of demand, and capturing a market share of about 8 per cent to get back into profit. But Chrysler believes it has the potential to achieve at least a 10 per cent share of the British market.

The third factor in its revival plan is a series of new models, one, called the 424, said a surprise announcement, almost certainly a joint development by the U.S., U.K. and French companies.

The car, a development of the U.S. sub-compact model to be launched by Chrysler in the U.S. late next year, will have some common components and features, but is likely to use the Simca 1100 engine and running gear in Europe.

Face-lift

There will be a substantial face-lift for the Avenger later this year. By 1979 this will probably be replaced by a new medium-sized car.

Overseas the company expects an improvement next year, with the Iranian export programme building up again. This year, with development problems in Iran, exports will be only about \$0.000. In 1977 Chrysler expects them to reach \$25,000.

£ in New York

	March 26	March 27
1 month	\$1.914/\$2.000	\$1.912/\$2.017
3 months	1.75-2.02	1.75-2.02
6 months	1.75-2.02	1.75-2.02
12 months	1.75-2.02	1.75-2.02

32 toolroom
men stay out
at Leyland

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITISH LEYLAND'S industrial relations problems intensified yesterday when 32 toolroom workers at the company's key SU Carburetors subsidiary in Birmingham decided to continue their pay strike, and lay off from this and two other toolmakers' strikes rose to almost 8,000.

The State-financed company has now stopped producing Triumph Stag, Spitfire, Dolomite and the 2000 range because of a strike by 350 toolroom workers at the Chelmsley Wood assembly plant, while Range-Rovers and Land-Rovers have been halted by a dispute involving 400 toolmakers at eight Rover plants in the Midlands and South Wales.

But the gravest threat comes from the SU strike which has halted supplies of carburetors used in all Leyland cars and petrol-driven vans as well as many vehicles produced by other motor manufacturers. Leyland has sufficient stocks to last the rest of this week after which widespread production difficulties and lay-offs are anticipated.

Before then, however, the strikers are expected to come under increased pressure from their own union—the Amalgamated Union of Engineering Workers—management and the Government. Today's meeting with the AUEW executive could well prove a turning point.

Last week Department of Employment officials impressed upon Mr. Bob Wright, AUEW national executive member, that under the Government's counter-inflation policy there was no way next stage of the Government's by which the strikers' 58-week pay policy due to be introduced in August is more flexible.

Pay parity

The strikers are protesting that management has not implemented a move towards pay parity with other Leyland tool-makers in the Birmingham area. Following yesterday's decision to remain out, shop stewards and SU members were told to work for six hours without making an 18-month agreement.

Continued on Back Page

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LOMBARD

Gold in currency storm phase

BY C. GORDON TETHER

THE ALMOST rock-like stability that has characterised the free gold price throughout the latest international currency upheaval is significant in the sense that it suggests that the metal has been deprived—for the time being—of some of its earlier appeal as a temporary refuge from monetary storms. On the other hand, there have been a number of new indications that the threat to its popularity as a method of providing long-term protection to capital is continuing to diminish in impressive fashion.

In earlier years, a massive flight from currencies on devaluation fears of the type that has been taking place during the past few weeks would have immediately found a powerful reflection in the offtake of gold—with appropriate consequences for the price of the metal. On this occasion, however, this reaction has been conspicuous by its absence.

Activity in the market appears to have been running at a rather higher level than it was before. But the supply-demand relationship has never changed to a sufficient extent to raise the price very far from the level of around \$130 an ounce.

Regretted

It seems that the international campaign which the U.S. Treasury has been spearheading to make gold look unattractive has succeeded in creating a general unwillingness to switch money taken out of weak currency countries into the metal. In the sense that this has greatly increased the scope for currency speculation that such circumstances provide, it is something that the sponsors of the anti-gold exercise may have cause to regret. For as Mr. James Sinclair, the American monetary expert, has pointed out, we can now expect such upheavals to become a more or less standard feature of the economic scene.

Obviously, some of the kind experienced in recent weeks could still have been expected to occur even if gold's value in the safety valve sense had not been impaired in the way it has been—given the acute new uncertainties that have been injected into the international monetary outlook by the intensification of the battle for export markets and differences in the pace at which different currencies are being eroded by inflation. But they could have been expected to be much less intense and, therefore, much less likely to impose severe strains on weak currencies by driving up strong ones.

RACING

BY DOMINIC WIGAN

Running Scared should be fit

RUNNING SCARED, who recently gave Bill Hobbs 15 lb and a three-quarters of a length beating in a handicap hurdle at Sandown, reverts to the Flat today for the 15 miles Holwell handicap at Leicester.

With his 7 st 8 lb reduced to 7 st 5 lb through Richard Fox's

LEICESTER
2.15—Kareel
2.45—Just Any
3.15—Running Scared***
3.45—Apres Demain
4.15—Flaming Term
4.45—Young Sovereign**

SANDOWN
2.00—Curlew River
2.30—Chafanc
3.05—Shifting Gold
3.55—Merchant Banker
4.10—Garryman
4.40—Cokethorpe

apprentice allowance, this grey appears well worth an interest.

A strong colt, who ended his flat campaign last year with a disappointing run at Cheltenham in November, Running Scared is likely to have a useful edge in stress over the top-weight Highland Jig.

This should just give him the advantage over Tony I've's

mount, who decisively accounted for Tony-de-Foxe in an apprentices event here in September. Mantop from the in-form Carl-burton stable of Clive Brittain, makes most appeal from the remainder.

Apres Demain, who created a highly favourable impression when scoring at Haydock and Salisbury last summer before finishing only third in Sandown's Solario Stakes, reappears in the one mile Burton Overy Stakes.

If, as reports suggest, the Seven Barrows colt is in fine trim and ready to do himself full justice, he should have little difficulty in outpacing four opponents, but of whom is probably the one to beat. The Duke of Tudor Melody out of the Cheshire Oaks winner Yeld.

Later, it could pay to side with Cokethorpe in the Unique Maiden Hunter's Chase. A year ago this event went to Coke-thorpe's stable-mate, Air General.

Campbell was in breach of his duty to his employers by allowing his shop to accept £1,000 in credit bets from Bryan Reynolds in prison for armed robbery.

The judge dismissed Mr. Campbell's counterclaim against A. R. Demain for £40 holiday money and £100 commission. Mr. Campbell, now a bakery plant operator, of Harrow, later said he would appeal.

Mr. Justice Wain held that Mr. Campbell was in breach of his duty to his employers by allowing his shop to accept £1,000 in credit bets from Bryan Reynolds in prison for armed robbery.

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THE MANAGER of a betting shop which accepted credit bets of £1,000 against the company's rules from a punter who never paid up must pay the £1,000 himself, High Court judge decided yesterday.

Mr. Brendon Campbell was sued by R. Demain at Cheltenham, Ealing, London, he formerly managed.

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Once upon a Time

by B. A. YOUNG

Horlock, who directs *Victims* and *spontaneously* *Arbuzov's Once Upon a Time* in his assistant Kristofor, by leaving the curtain *Victims*, however, falls for Fiona Mathers set as we *Fedya's* tall, handsome son. To have the tabs rise *Kuzma* (Robert O'Mahoney), who a colourful array of toys is secretly competing against his father as a designer for a fashionable version of Helen of Troy. Kristofor (John Cater) cooks luscious food for them all, tidies the studio, runs messages and acts generally as Fedya's confidante.

The effect is of a Diaghilev ballet with spoken dialogue. No one is believable, and the story is no more than a platform for the characters to act on. The essential moment at which Fedya believes *Victims* to be accepting his hand when she is actually trying to tell him of her love for Kuzma is crudely contrived beyond belief. But there is a hyper-sentimental charm about the whole thing that is pleasantly cosy.

It's interesting, too, to see the unsuspected amenities of stage Moscow life. Fedya has a three-room flat, himself which he vacates without hesitation for *Victims*. *Victims* finds well-paid work in a fortnight though she is an absentee student. Kuzma's puppets are commissioned while he is still at school. Apart from the curious absence of radio or television, the place seems to be paradise.

The play is translated by Ariadne Nicolaeff, who has now done nine of Arbuzov's twenty pieces. Her lines sometimes sound as if she had made a hasty reference to Roget and come up with the wrong answer. "Beautiful and varied clothes," "Something entrancing about you," "with ineffable enthusiasm." "I jumped from the second floor on my own initiative." Does Arbuzov sound so odd in Russian?



Philip Kendal and Michael Horlock

Rattigan's theatre on Radio 3

2.30 p.m. to-night Radio 3 broadcast of a play by Rattigan and narrated by Anthony. In this hour-long production, Sir Terence Rattigan, not more than 40 years, is a playwright from without Tears to his play *Cause Celebre*, repeated later in the week.

A taking part in the production is Peggy Ashcroft, Oliver, T. C. Worsley, Se Oliver, Emily Wilson, Alan Ayckbourn, Harold Sheridan Morley, Coveney and Roger.

POSTAL AUCTION

Claret and Other Fine Wine

A recent big claret auction at Christie's bears out the fact that the claret market is rising. The 1975 clarets so offered appear high in price. Older vintages purchased in the £100-£200 range are beginning to look reasonable in price at current levels. In Bordeaux, it was a virtual write off and prices are sharply higher.

We are holding a claret and fine wine postal auction. Bids are returned to our office by 16th April. This auction gives an excellent opportunity of buying while the cat is still very low.

Bids are offered duty paid or in bond (for storage in importer's own name) in many instances.

Please write for details and also for our full list and special list of unusual and interesting wines from smaller quality French growers.

It is an excellent opportunity to buy many other bargains at current duty levels before the Budget.

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Waddington Galleries/Museum of Modern Art, Oxford

Keith Vaughan and Howard Hodgkin

by WILLIAM PACKER

Keith Vaughan has been one of the greatest of our artists over the last 20 years. He established a reputation early, was bought by the best people, represented in all the important collections, and mentioned in all the books. But he was not celebrated overmuch, merely well-regarded, and his work, like generations of artists sprung into prominence, nor was he forgotten. His work has shown the same consistency as his career, with no sudden shifts or breaks, no radical new directions. It has remained ever unmistakably his own, undemonstratively idiosyncratic, and always rather distinguished.

From our vantage point, his work is no longer emphatically Modern, set as it is firmly in the European figurative tradition, in particular the classical strain of that tradition deriving from Poussin, and given a modern relevance first by Cezanne and then by the Cubists. Vaughan is a painter of Modernism, of course, and deeply informed and sympathetic, but it is a modernism that has now acquired the patina of old mastership. And yet, these orthodox and respectable affiliations notwithstanding, Vaughan is also palpably, peculiarly English in his work. He is an artist moulded by his times; and what we see in him and his work is post-Cubist classicism passed through the close filter of English neo-Romantic sensibility, such an important feature in the work of artists as various as Nicholson, Sutherland, Freud and Bacon.



Keith Vaughan: Les Illuminations de Rimbaud - Enfant (II)

Composition is solid and firmly structured, colour restrained, predominantly close-toned browns and greys and dirty blues, giving a feeling of darkness and heaviness to the work, belaying the fact that often a great deal of the white ground is left untouched. The handling is economical, laconic, sometimes suggested rather than described, but such generalisation makes for ambiguity, which is usually intriguing. Certainly Vaughan is uncharacteristically specific, as he is in one or two of the larger figure compositions, the results seem mannered and theatrical.

He makes much of literary references, here making great play in his titles on the works of the French Symbolist poets. The best work of all, indeed, is a series of gouache paintings, "Les Illuminations de Rimbaud." In them the surface is richer, more dense and complex than in the oil paintings, the colour fresher, though no less sombre. And the drawing is freer, less circumspect, and in consequence

Round House

Muldowney, Goehr, Rubbra

Imperilled by the 11th-hour indisposition of Vernon Handley, Sunday's Camden Festival concert was saved with admirable skill and courage by the Swiss conductor Michel Tabachnik, who led the New Philharmonia Orchestra in two of the works by three living British composers. Perspectives by Dominic Muldowney, the youngest of the three, was directed by the composer himself.

A further instalment in Muldowney's *Music of Chantres* series, other parts of which having already reached London earlier in the season, this was a pretty coloured, deftly and lightly scored composition presenting easily graspable if somewhat insubstantial materials (unison melodies crossing Roy Harris-like bounciness with raga-like turn of phrase; Stravinskian "telescoped" harmonies; a crystalline murmur of chinking and clinking percussion) in clean-cut juxtapositions. The trouble, at a first hearing, was an apparent lack of continuity, the possible consequence of a somewhat nervous, jerky performance.

Much more meaty was Alexander Goehr's *Piano Concerto* (1972), played on a disgracefully tiny Steinway with, nevertheless, utmost elegance and beauty of tone by Daniel Adni. The first movement is elusive, rich in ideas of a characteristically cool fertility but obscure in working, imaginative in its dry, taut use of a classically-modelled orchestra yet never quite striking. The second movement, inserting scherzo-like episodes into a slow, rhapsodic meditation, is another story—full of stealthy shadowy lyricism that seizes the attention at every unexpected, keenly considered turn of phrase.

Mr. Tabachnik's piloting of soloist and orchestra through a by-no-means easy score deserves the highest praise—may he and Mr. Adni be invited by the orchestra to explore it again soon. A former Boulez assistant, he can hardly have conducted the music of Edmund Rubbra very often. The *Second Symphony* (1957), a homely, square, very English kind of Shostakovich (like the Russian's Fifth, one would say, except that the two are too closely contemporary for the likely traffic of influences either way), was driven with undimmed edge, far too angularly for the ruminative melodies to spread and grow. An improbable performance, indeed; but never unimpressive in control.

MAX LOPPERT

more immediately engaging. Transparent washes overlay crayon additions and emendations, taking the eye beyond the surface, just as the imagery seduces the imagination.

And very beautiful things they are. Through them we see the artist at work: thinking, choosing, changing, responding always to the unexpected; the painter engaged in the strange processes of painting, and the opportunities it contrives.

Howard Hodgkin is a generation younger than Vaughan, yet stands close to him as an artist. Indeed it is remarkable how much of what has just been said applies to him. His work, by no means widely familiar, has been from the start the object of discriminate enthusiasm: it has remained small in size in the face of orthodox, and stylistically constant; and it too is cast in that figurative tradition, standing in the same relation to the heroes of Parisian Modernism. His work is more openly decorative, perhaps, for his acknowledged debt to Matisse rather than to Braque and Picasso, and rather less reserved: his paint is thick, lush, and brightly coloured. But he too simplifies the figure to a degree that will deceive the impatient, and he too is preoccupied with the spare it commands, and the aura it casts.

It is Matisse of the Great War years, of "The Moroccan" and "The Piano Lesson," whose influence is greatest; who celebrated the artist's hero making great play in his titles on the works of the French Symbolist poets. The best work of all, indeed, is a series of gouache paintings, "Les Illuminations de Rimbaud." In them the surface is richer, more dense and complex than in the oil paintings, the colour fresher, though no less sombre. And the drawing is freer, less circumspect, and in consequence

presence it supports is powerful and active.

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Again, the paintings gain strength and clarity in concert, always physically seductive, for colour and pattern, and indeed the substance of the paint itself, are deployed with obvious enjoyment; but together they go further, in mutual explanation of the visual language that they use. The interior space is defined by successive screens and arches, and beyond we glimpse a fragment of landscape. The heart of the tableau is occupied by what we realise are figures, reduced to the most simple terms, mere shadows; but they are strangely recognisable, and their domestic situation familiar and reassuring. Painting after all is not only about the command and manipulation of pictorial convention, but also about illusion and suggestion and imagination.

Howard Hodgkin's small retrospective exhibition remains at the Museum of Modern Art in Oxford until April 13, after which it comes to the Serpentine Gallery in London.

Albert Hall

Vienna Philharmonic

by RONALD CRICHTON

It was sad, approaching the Albert Hall on Sunday for the Vienna Philharmonic's second concert, to see a queue still waiting just before starting time, hoping presumably for lower-priced seats, then to go inside and find a number of the highly-priced ones unoccupied. The London concert public, by no means entirely composed of wealthy sheep, has its own way of reacting to severe demands on its purse, even if that means doing without Beethoven played by the great Vienna orchestra and conducted by Austria's Generalmusikdirektor, Karl Böhm. Nothing else about this memorably good concert was sad.

The published programme consisted of two symphonies, the Fourth and the Eroica. In the context of the strictly conventional programmes selected by the orchestra (or by the sponsors of the tour), Beethoven's Fourth, less popular anyway than it deserves, almost ranked as a daring departure from well-trodden ways. For the gesture we must be thankful—the playing was exceptionally live, well-balanced and well sprung, with a graceful tempo for the admirable finale, which still allowed strong tension to build up, and to wind down, no less memorably. Wind chording, impeccable in ensemble, was slightly sour in tuning. This may be the price to pay for the soloists' almost complete lack of vibrato—the clarinet's playing in the slow movement was so steady as to induce second thoughts about the greater "expressiveness" of our clarinetists.

Böhm's Eroica was humane, shapely, lovingly but keenly controlled in a way that nevertheless encouraged a wide range of colour in the *marcia funebre*, with a fierce climax to the *maggiore* section, and much grandeur from the strings—a more versatile body than the conventional dithyrambs about their lushness might suggest. The first oboe in the Eroica was lucky enough to hear as a guest, and his tone was sweeter, I would guess, however, from the inimitably perfectly clear chorling sound of his quick passages, that the flautist was the same.

The placing of the tympani on the left is very well for those on but side—the dry sound was most effective in the Eroica. The violas, sometimes inaudible from a right-hand seat in the Festival Hall, made a rich contribution on Sunday, though by some freak the sound appeared to come from another direction. Otherwise, the old master of Kensington was behaving well, full upper galleries only permitting the echo to seep out once or twice during the scherzo of the Fourth Symphony before scuttling away for good.

A programme of two Beethoven symphonies in readings so absorbing is enough for anyone, but the omission of exposition repeats in the Fourth seemed short measure. As compensation, we had a full-length encore in the *Meisterlanger* overture, in which Böhm was able for the first time in the evening to display the uniquely rewarding sound of the Vienna Philharmonic in non-dramatic music such as Wagner. Enormous enthusiasm.

Camden Festival

Telemann

By 1782 Handel was dead, J. S. Bach was almost forgotten, and Haydn had about 20 symphonies behind him: the musical baroque was a thing of the past. Yet in Hamburg, enjoying a long Indian summer as successful and honoured old man, Telemann was (in spite of falling sight) still composing *Passions* and oratorios for the town where he had held a virtual monopoly of musical events for 46 years.

Der Tag des Gerichts (The Day of Judgement) which the Highbate Choral Society under Brian Wright gave for the first time in this country on Saturday night (though a Harpsichord recording of the work is still in the catalogue) is not just a late Baroque cantata. It wasn't designed for a church (particularly one as sober as St. Michael's Highbate), but for the opening of a new Hamburg concert hall, and it is not so much a cantata-oratorio as an entertainment-oratorio.

This lively and excellent performance made out as good a case for the work as is possible. The cynical, unbelief and mockery of the first part (sounding like Pergolesi opera buffa and Stamitz symphonies) and the devastation and turmoil of the second part (C. P. E. Bach-like music here) were nicely characterised by Christopher Keyte, Alan Eyles and the very well-drilled chorus. But it hardly put one on the side of the angels, as the sentimental visions of Faith and Religion (Eldwien Harby in bright but slightly brash voice) and the warnings of Reason (a very operatic Anne Collins) were far less attractive.

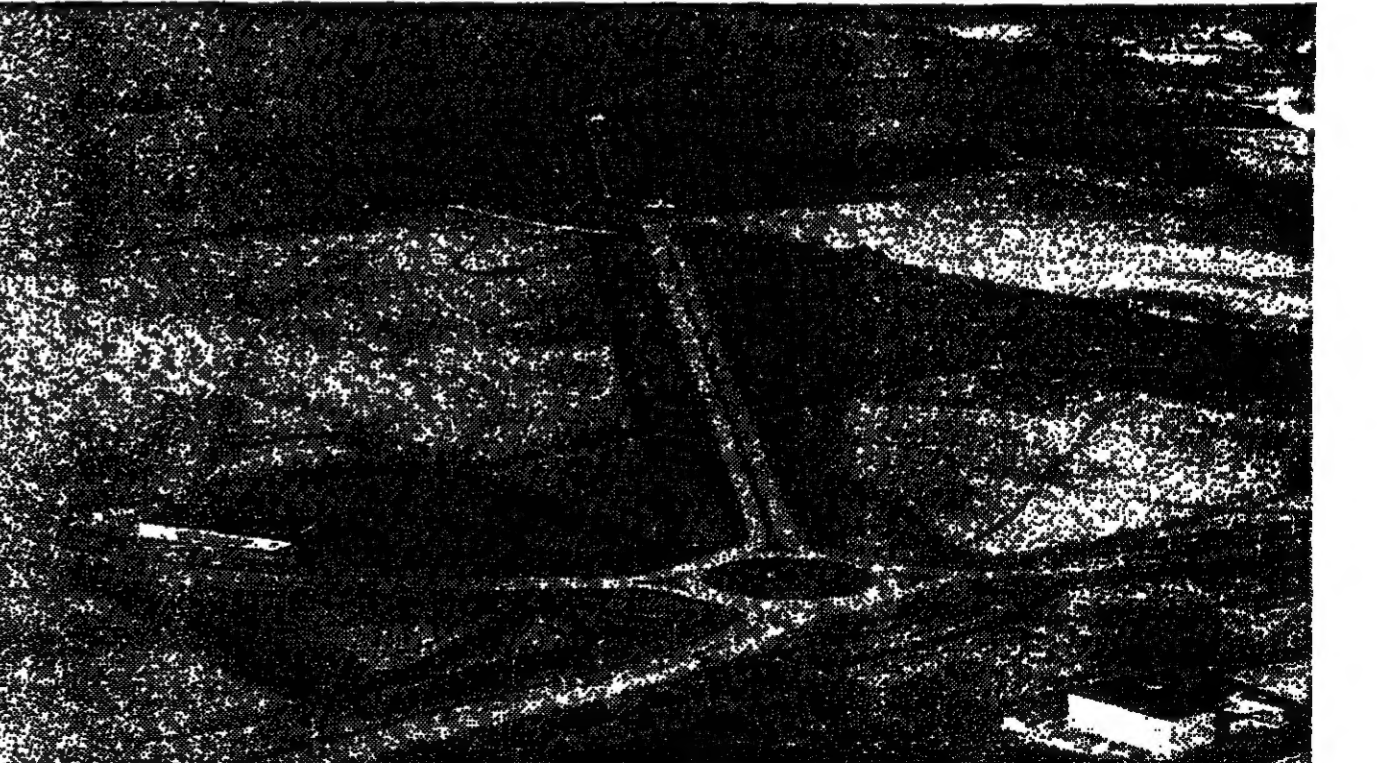
With the appearance of Christ himself in the third part, and the central chorale of the believers (deprived of its effect here by being treated quietly, without instruments), all force goes out of the music: even Mr. Keyte could not make Jesus's denunciation of the scribes anything but a display of mild pique. The fourth part is then merely a succession of pleasant meditations by the Blessed—an excuse for some outstanding singing by the soloists—and some noisy and triumphant choruses for all (including a good soprano echo in the choir). Brian Wright made the whole remarkably effective, controlling tempi well, and keeping the *legion* alive. His orchestra was neat but over-melodious in even the most tempestuous moments: one longed for the reedy sound of more authentic instruments.

Not, then, a profoundly religious work which would encourage instant Lenten repentance, but rather a good evening's entertainment, it certainly deserves a BBC recording by these forces.

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Elizabeth Hall

Myung-Whun Chung

Like Mitsuko Uchida, whom I reviewed on this page last week, the young Korean pianist Myung-Whun Chung gave much less than his best during the two final rounds of the Leeds Piano Competition last year. At her London recital, Miss Uchida revealed herself in quite different colours as a pianist of already quite exceptional stature; Mr. Chung too, on Sunday afternoon, showed us that he is capable of fine things in the concert hall—even if as an artist, he is as yet less fully rounded, fully formed.

He is a prodigiously well-schooled pianist. Nothing in his programme—from the large-scale rigours of Beethoven's Waldstein sonata to the more delicate but no less exacting demands of Debussy's *L'isle joyeuse*—seemed to tax his fingers unduly. The sound was never less than bright, clean and clear: in the cadenza of the Waldstein, and in the slow movement of Haydn's little G major sonata no. 6, the balance of

pianissimo tone-colour was ravishing. Only at the biggest moments did the playing lack a certain physical weight, and therefore physical excitement; it was otherwise a constant model of neatness, clarity and precise design.

Perhaps even too well-schooled. Superbly proficient; as they were, each and every performance had more the air of a beautifully learned lesson than any kind of personal vision or testament. I found no sense of risk, or combat, or engagement in the playing—in Chopin's first or third Ballads an almost overwhelming sense of neat finger-work, but little of grandeur or poignant sentiment. A pair each of Preludes and Etudes by Debussy were immaculately presented, perfectly soignée, every hairline and nuance perfectly in place—but sensuously blunt-edged, drawn without electric thrust, buoyancy or sparkle. Strange recital: on one level so fine, but on another, more important still, so anonymous.

DOMINIC GILL

Japan will discuss U.S. steel quotas

BY PETER DUMINY

THE JAPANESE Government has told the Americans and the GATT Secretariat in Geneva that it is ready for talks about American proposals to restrict imports of special steels.

However, the Japanese have emphasized that this does not mean they are willing to negotiate an orderly marketing agreement—which was what President Ford proposed on March 16, when he issued an ultimatum that import quotas will be slapped on three categories of special steel on June 14, if by then there have been no bilateral agreements with Japan, the EEC and Sweden restricting supplies to the American market.

The Japanese Government has also insisted that talks should be in the context of each country's commitments to GATT, adding that Japan does not concede the principle that an orderly marketing agreement between two or more countries is permissible under GATT.

At this stage, therefore, it seems that the Japanese strategy will be to try to head off a formal public inter-government agreement on special steels—which would be seen in Japan as a dangerous precedent with implications far beyond any immediate impact on exports of stainless and tool steels (quite negligible items in world trade).

It is a matter of opinion whether this approach is more of a conciliatory than that adopted by the EEC, which informed Washington last week, in effect, that five-year quotas are based on it is completely opposed to the American proposals, reserves its right to look for compensation for a year. However, the

TOKYO, March 29.

The official MITI spokesman says this appears to be unfair and discriminatory. Japan is also unhappy about the fact that restrictions would apply to a handful of suppliers, not all. For instance, Canada will not be affected.

Japanese exports of the three categories of special steel were 78,000 tons last year. The peak was 94,500 tons in 1971, after which exports dropped off to 37,500 tons in 1973.

On balance, the Japanese would in all probability be happy enough to settle the issue by means of so-called voluntary restraint in which neither Government is officially involved. However, it is apparently impossible for the Americans to edge towards such a compromise. In fact, the main reason for the present U.S. approach to the problem seems to be that the American courts have made mincemeat of industry agreements to restrict trade under anti-trust legislation.

APJ reports from Brussels: The U.S. and its major special steel suppliers, the European Community and Japan, will discuss on April 5-6 in Paris an "orderly marketing" arrangement to limit exports of stainless and tool steels to the U.S. market.

Record colour TV output

TOKYO, March 29

THE PRODUCTION of colour television receivers totalled a record 757,000 units in February, up 23.4 per cent. from January and 91.7 per cent. from last year, the Electronic Industries Association of Japan said today. An Association spokesman said brisk exports were behind the sharp rise in production.

Exports of Japanese colour television receivers were listed as 300,333 units in February, up 114.4 per cent. from last year. Exports to the U.S. were 136,368 units during February, up 260 per cent. from a year earlier. Overall shipments including domestic sales during February were listed as 593,000 units, up 13.7 per cent. from January and up 44.9 per cent. from last year.

in accordance with GATT, but at the same time is prepared to listen to anything the Americans have to say on the subject.

The Ministry of International Trade and Industry says that apart from the principle at stake, it is also unhappy about the fact that the calculation had been based on arithmetic that has led the American International Trade Commission to propose overall 47 per cent. (58,000 tons).

U.K. exports to Taiwan expected to increase in next two years

BY CHARLES SMITH

TAIPEI, March 29.

THE TAIPEI office of the Confederation of British Industries, which has been assuming a gradually higher profile since the severance of Britain's Consular relations with Taiwan in 1972, was quietly renamed the Anglo-Taiwan Trade Committee at the beginning of February. The committee has a head office in London chaired by an executive of Lazard's and a representative office in Taipei with one full-time U.K. executive.

Its function is to help U.K. businessmen who may come to Taiwan as would-be exporters or investors and to provide a flow of information about selling opportunities in the island. Britain's exports to Taiwan last year were worth \$39.9m, according to the U.K. figures (but over \$65m, according to the Taiwan Government figures which include some goods re-exported from Hong Kong and Singapore as well as exports of ships for ship-breaking).

U.K. export earnings from Taiwan are expected to rise sharply in the next couple of years as the Taiwan railway electrification contract won last year by GEC, and estimated to

be worth a total of around \$70m, begins to show up in the export figures.

The combination of a low profile or non-existent official presence and rather active business contacts which characterizes U.K. relations with Taiwan is paralleled with most other Western European countries and Japan. West Germany, whose exports to Taiwan last year were more than double Britain's, has a "Sino-German Cultural Institute" in Taipei whose activities evidently go well beyond culture. France is represented by Clave, a consortium of leading French banks which has, according to Taiwan Government sources, "helped" Taiwan to raise loans in France.

Japan's representation in Taipei is called simply "Interchange Association" but is staffed by 12 officials seconded from the Ministry of Foreign Affairs, Trade Ministry and other Government departments. The Interchange Association had its first meeting last month with the "East Asia Relations Association," which handles bilateral relations from the Taiwan side. Previously there had only been "unofficial" meetings.

The Taiwan Government appears to have two basic objectives in conducting its overseas trade relations: first, to obtain better access to government markets with which it formerly had relations and second to shift some of its trade away from Japan towards Western countries. The access problem appears to be acute in the case of the EEC Commission which now has close relations with the Republic of China through the Chinese Ambassador accredited to the Commission.

Taiwan claims to have been badly treated by the EEC in the allocation of textile import quotas and in the decision to exclude it from benefits under the GSP system of tariff preferences for developing countries. The Deputy Director General of Taiwan's Foreign Trade Board, Mr. H. K. Shao visited the U.K. last November and plans to go to London again in May in order to discuss the textile issue. Mr. Shao said he found difficulty in contacting officials of the Department of Trade during his November visit but was able to hold some "informal talks". In the meantime, Taiwan has been permitted to open a trade office in London under the name of the "Majestic Company," which is nominally independent but in fact has close links with the Foreign Trade Board.

The Taiwanese claim to be giving preference to non-Japanese suppliers in the award of some major capital goods contracts. Taiwan also appears particularly keen to attract European industrial investment so as to reduce its present heavy dependence on Japanese and American investors.

One of these will be a 100 per cent. owned Dulux paint plant while the other is a joint venture project with a Taiwanese partner for the production of methylmethacrylic monomer. ICI's total investment in the two plants will be in the neighbourhood of \$8m.

Taiwan's overall exports last year were worth \$5,300m, down 5.8 per cent. from the 1974 figure while its imports were down 14 per cent. Exports this year, however, have so far been expanding sharply and two-way trade for the year could rise above \$15bn, according to preliminary estimates. Taiwanese trade officials claim on the strength of figures that the country's import market is the second biggest in the Far East after that of Japan.

The new bilateral agreement foresees exchanges worth \$90m. In Mainland China, production of goods for export to shipping companies (Stavros Niarchos) will in two 25,000-ton Romanian ships this year, provide knowledge shipbuilding, and under the building of vessels by Romanian shipyards. From Constanza visited the outside Athens last Saturday.

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W. German-USSR trade. West Germany could double its total trade with the Soviet Union by 1980, West German Economics Minister Dr. Hans Friderichs said in Moscow yesterday, Reuters reports. Herr Friderichs said that trade with Russia last year totalled over DM10bn. (\$6bn.), which was over 25 per cent. more than in 1974 and the trend seemed to be continuing. "In 1980 trade will probably have gone through the DM10bn. barrier," he said at the opening of a two-week West German exhibition of metal processing equipment in Moscow.

Car exports up. Japanese vehicle exports in February rose to 294,116 units, 16.5 per cent. higher than the January level of 253,076 units and 47 per cent. more than the 200,044 units sold in February, 1975, the Japan Automobile Manufacturers Association announced, Reuters reports from Tokyo.

The association cited good sales to all major destinations for the February export gains. Exports to the U.S. more than doubled to 131,667 units from 58,782 units a year earlier. Export shipments to

other markets including Australia, Middle East and West European countries showed a significant improvement.

Leysland contract. Orient Leasing Company's Singapore subsidiary, O Leasing Singapore (PTE), announced a three-year contract for 90 British Leysland buses to the Singapore Service, Reuters reports from Tokyo. The contract will be about \$10m. Orient Leasing is a subsidiary of Leysland, Hong Kong, Malaysia, Korea, Brazil, Indonesia, the Philippines and Singapore.

Whisky plant. Seagrams Ltd. of Canada, St. John's Wine Trust Ltd. studying a project to produce whisky in South Africa. St. John's Wine Trust managing director, Lothar Bargh, announced Reuters reports from Stellenbosch.

THE FINANCIAL TIMES published daily news and financial data for the week ending March 29, 1975. For more information, contact the Financial Times, 1, The Quadrant, London EC4A 3DF.

An investor's guide to IC Industries.

Our first love.

Until 1968, for 117 years, our only business was our U.S. railroad, the Illinois Central.

It was the Illinois Central that provided us with the foundation to diversify and grow—in eight years—from a \$300 million regional U.S. railroad to a \$1.5 billion international multi-business corporation.

Today, our Illinois Central Gulf Railroad is still the "Main Line of Mid-America"—our heritage.

And then along came Abex.

In December 1968, we acquired the Abex Corporation and formed a Commercial Products Group.

Sales and earnings for the group have more than doubled during the past four years. In 1975, Commercial Products sales, primarily by the Abex Corporation, were \$541 million. Pre-tax income reached \$55 million. Both were new records for the fifth consecutive year.

Abex Castings—products for nuclear power plants, the petrochemical industry, steel mills, mining and general industry—contributed sales of \$182 million in 1975.

An example of Abex casting technology is the world's largest, single-cast, manganese-steel, power-shovel dipper. This giant 19-cubic-meter dipper, used in copper mining in the Western United States, is the first of several on order for delivery through 1977.

Abex Railroad Products—specialty trackwork and rolling stock components—contributed sales of \$139 million in 1975.

The Abex Samson railroad brake shoe, a technologically superior, longer-lasting, spark-retardant product, was selected this year as the new standard for freight cars by the Association of American Railroads.

Abex Automotive Products—friction braking materials, tire molds, lighting systems and hardware for automobiles, trucks and buses—contributed sales of \$131 million in 1975.

Abex, the world's largest manufacturer of friction braking materials, now tests those materials at the world's largest and most comprehensive dynamometer test center,

our new facility at Mahwah, New Jersey, U.S.A.

Abex Hydraulics—pumps, presses and motors for construction, food processing, marine, aviation and general industry—contributed sales of \$89 million in 1975.

Liquid assets.

Our Pepsi-Cola General Bottlers organization is the second-largest independent Pepsi franchise in North America. In every market we serve.

Pepsi is the number one cola in food store sales.

We also own the Bubble Up lemon-lime and Dad's Root Beer companies, which manufacture and sell soft drink concentrates to 319 franchised bottlers worldwide.

Together, the sales of these three soft drink companies were up 10% in 1975, to a record volume of more than \$149 million.

The Midas touch.

In January 1972, IC Industries acquired Midas-International Corporation, the world's leading specialist in auto silencer systems, with annual sales of \$78 million.

In 1975, four years after the acquisition, annual sales reached \$160 million. A 105% increase as an IC Industries company.

In 1974, we added 52 Midas shops worldwide. In 1975, 80 new shops were opened. In 1976, 75 more are planned.

Midas is also one of the leading builders of recreational vehicles in the United States.

In 1975, our Midas Mini Motor Home sales were more than the five previous years' sales combined.

Our international affairs.

In 1975, IC Industries' international sales reached \$175 million. A 298% increase in seven years.

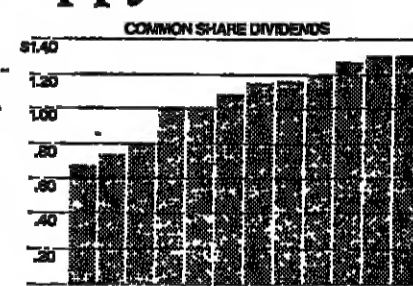
Our sales outside the United States include Abex automotive and railroad products, castings and hydraulics in Western Europe, India, Brazil, China, Great Britain and the Soviet Union; Midas silencer systems



in Canada, England, Belgium, France and Panama; and Dad's Root Beer and Bubble Up concentrates in 19 countries.

Many happy returns.

We have increased our dividend on common shares in nine of the past 12 years, from 67 cents in 1964 to the current \$1.30.



Our size hasn't gone to our headquarters.

For a corporation with sales in excess of \$1.5 billion, we operate with a small corporate staff—Chairman William B. Johnson, President Stanley E. G. Hillman and only 84 others. We're lean. We like it that way.

It is a matter of business philosophy in which we take considerable pride that the best decisions are most often made at the operations level.

Our various company directors and executives manage their companies with a minimum of supervision by the corporate staff.



Stanley E. G. Hillman, President

William B. Johnson, Chairman

The rest of us.

There's a lot more to IC Industries. Our Illinois Center lakefront development in Chicago, Illinois; our LaSalle Properties venture in New Orleans, Louisiana; our two insurance companies, Lincoln Liberty Life and Midwest Life Nebraska; our H.F. Philippsborn & Co. mortgage banking facility; and a portfolio of other profitable interests. If you'd like to know more about us, write: IC Industries, Inc., 55, chemin Moise Duboule, Petit Saconnex, CH-1211 Geneva 28, SWITZERLAND.

Effective March 31, The Stock Exchange in London lists IC Industries.

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AMERICAN NEWS

Usery in bid to avert strike by Teamsters

BY JAY PALMER

NEW YORK, March 29.

LED WITH the imminent possibility of a nationwide strike, American unionised lorry drivers are being urged by President Ford's new Secretary, Mr. William French, to accept a settlement of their demands for a 10 per cent wage increase and a 30-day pay-off period.

Although the federal Government and the Ford Administration are desperately anxious to avert a strike—which would both damage the country's economy and hurt Mr. Ford's political campaign—it is equally concerned about the need to keep the cost of the settlement low.

The current confrontation with the lorry drivers will be the first major wage settlement of the year and, however it goes, it is expected to set something of a precedent for other coming negotiations with workers in the rubber, construction, electrical and car industries.

The White House has emphasised that this year's initial wage settlements could allow first year salary jumps of no more than 10 per cent. Against this the Teamsters (and almost certainly most of the other unions preparing for future talks) are holding out for at least a 15 per cent jump in the first year adding up to over 30 per cent over three years.

Meanwhile, a Senate subcommittee has authorised its staff to investigate the alleged links between the Teamsters Union and organised crime. The task force, which includes representatives of the Internal Revenue Service and the FBI, was sparked off by nationwide TV news stories of the alleged links.

£40m. 'safety net' for Caricom states

BY OUR OWN CORRESPONDENT

PORT OF SPAIN, March 29.

THE FACE of severe balance payments crises in all Caribbean Community (Caricom) states, with the exception of Trinidad and Tobago, Finance Ministers of the region have agreed to establish a financial 'safety net' to which deficit states can turn for assistance in last resort.

The facility has been set up by Trinidad and Tobago (£500m) and will be moved primarily by the Trinidad Government.

Agreement on the financial safety net was the major decision to emerge from a meeting of Caricom Finance Ministers in Port of Spain.

The time being to those income members with central banks—Trinidad and Tobago, Guyana, Barbados and Guyana. The current account deficit of the last three for this year has been estimated at \$177.50m. The net (£500m) Trinidad and Tobago is the region's only oil exporter, is expected on the other hand to have a current account surplus approaching \$172.50m. (at £500m.)

The Caricom Finance Ministers also agreed to increase the intra-regional clearing facility operated by the central banks from its present equivalent of \$10m. to £20m. in the light of the expansion in Caricom trade.

Our Georgetown correspondent writes: Further consideration is to be given to a special fund to be given to a special fund to the Associated States and Montserrat—the so-called less developed countries (LDCs). The proposal is for a fund of \$5m. with the four more developed countries (MDCs) contributing a total of \$1m. immediately and the British and Canadian Governments the balance over five years.

Fussein in Washington without a fanfare

BY DAVID BELL

WASHINGTON, March 29.

HUSSEIN of Jordan is not some progress to be made in the coming months. State Department sources are expected to concede that the U.S. is still a long way from being able to propose any new way forward out of the current apparent impasse. President Ford's trip to the area, once planned for the spring, is now being talked of for the summer, but it will even take place then, Dr. Kissinger, meanwhile, remains determined to keep talking even if he is not optimistic that, at least for the moment, the talks will come to much.

The U.S. is well aware that the Presidential elections in November give some incentive for all sides to delay new negotiations, it is not until it is clear with whom they will have to deal in Washington in the next few years. Israel perhaps has the greatest reason to stall, but it may also be that Syria, preoccupied with the Lebanon, also has a chance to see if there

Indicators rise by 0.8%

JUREK MARTIN, U.S. EDITOR WASHINGTON, March 29.

U.S. index of leading economic indicators rose by 0.8 per cent in February over January. According to preliminary figures released today by the Commerce Department, the index is more or less in line with the administration's expectations. In fact, the Commerce Department also announced today that the annual 2.2 per cent gain achieved in January was, on revision, less than originally estimated as was originally estimated on incomplete figures. January gain has now scaled down to 1.5 per cent because of the negative effect of the statistics on new formation.

Nothing of a statistical pattern now appears to be emerging. Returns for first two months of the year had suggested that the economy was growing much more rapidly than anybody, including the administration, had expected, with sales rising sharply, unemployment dropping abruptly and the inflationary picture seeming remarkably stable.

Although the economic prognosis remains good, there is evidence that the first couple of months of the year may have exaggerated the improvement and that the medium trend in reality is what the Government had predicted it would be—one of respectable, but moderate growth.

The February indicators showed eight component parts going up and three going down. Vendor performance (that is sales) was the strongest plus and a decline in total liquid assets the biggest minus.

THE NEW YORK DEMOCRATIC PRIMARY

Showdown between Jackson and Carter

BY GORDON WEIL

THE NEW YORK Democratic primary, which had promised to be the most confusing contest in the most complicated nomination race in American history, has become pivotal to the entire contest. There will be 274 delegates at stake—more than in any other State except for California.

Only in March did the New York State legislature decide to allow voters to vote for their favourite presidential candidate. That may seem to be what primary elections are all about in any case, but originally New York Democrats were to be permitted to vote only for candidates for delegate to the Democratic convention. These candidates were not to be identified on the ballot with the presidential candidates they supported.

The primary on April 6 actually consists of 39 separate contests, one in each of the New York congressional districts. But, with the names of the presidential candidates on the ballot, it will also be a Statewide popularity contest of major importance.

The contest boils down to one between Senator Henry Jackson and the former Governor of Georgia, Mr. Jimmy Carter, for moderate-conservative support, with Representative Morris Udall trying to unite the powerful liberal faction behind his candidacy.

Senator Jackson sees the New York primary as a chance to regain the momentum he has lost to Mr. Carter since Florida. He believes he can defeat Mr. Carter in northern industrial

states where organised labour is strong. In Massachusetts the help that Senator Jackson received from the trade unions was the key factor in his victory.

After a quarrel with the AFL-CIO about trade legislation, Senator Jackson has again become the favourite of the old-line union leaders. The Washington Senator voted for the 1974 Trade Act against the wishes of the AFL-CIO president, Mr. George Meany, who wanted a far more protectionist Bill. But now Mr. Meany and his colleagues see Senator Jackson as their best friend among the surviving candidates. New York will show just how much their friendship means. Senator Jackson is running on it being decisive. But he worries that organised labour might actually prefer Senator Hubert Humphrey who is not so far running. So he holds the threat of Carter victory before the eyes of the union leaders and presses for their support.

Senator Jackson's other asset is the support he has among Jewish voters. There are 1.8m. Jews in New York City, far more than in any other city in the world. Virtually all are Democrats, and they vote more heavily in primaries than other groups. Sen. Jackson, whose support for Israel and Soviet Jewry is unassailable, showed in Florida that he could handily carry the Jewish vote, even against the Pennsylvania governor, Mr. Milton Shapp, who is Jewish.

If Mr. Jackson is the man to beat, Mr. Carter is the man who

will be under most pressure to beat him. Mr. Carter, the victor in North Carolina on April 24, has fewer apparent assets. He has put less effort than Mr. Jackson into building an organisation in New York, and he is less well known in the State. In New York, where sophistication is the local form of provincialism, the Georgia peanut farmer and his indication, Mr. Carter runs well because he enjoys the same anti-

The chief import of the New York Primary is that out of all the confusion it will greatly simplify the Democratic Presidential race.

corruption for many voters. Despite these handicaps, he will make an effort to maintain his momentum and pick up a share of the delegation. Some of the trade unions that supported Senator George McGovern in 1972 have been helping Mr. Carter without formally endorsing him. For example, Mr. Leonard Woodcock, head of the Independent Auto Workers, provided money and organisational help in Florida. Mr. Woodcock might personally favour a more obviously liberal candidate, but would like to back a winner this time. Sen. Jackson is too conservative for Mr. Woodcock and his friends because of his unyielding cold war foreign policy.

The Florida primary also showed Mr. Carter can appeal to black voters. When one black leader there complained that

"everybody is trying to out-conservative each other," Mr. Carter quietly stepped up his effort in the black community. It is far from certain that he can duplicate his appeal among northern blacks, but, if he can, he will have picked up the core of the liberal voting bloc.

If his past victories are any indication, Mr. Carter runs well because he enjoys the same anti-union leaders wanted, rank-and-file workers have given some support to Mr. Wallace in the past. They may shift that support to Mr. Carter.

In short, New York will almost certainly be the real showdown between the two moderate-conservative candidates in a northern State. Mr. Jackson could not survive a loss here, while Mr. Carter would carry on even if he lost badly, though he would lose much of his momentum.

What about the liberals? It is an axiom that for the reform Democratic liberals of New York city politics is a passion, and they have fought their way into a very influential position in state politics. They deeply dislike Senator Jackson because he supported the Nixon Vietnam policy, and they call Mr. Carter "our Nixon" because they consider him "ideologically inconsistent." They believe that he could have a major impact on the liberal vote in the State.

Most liberals had supported Mr. Birch Bayh, the Indiana Senator. When he dropped out of the race after his dismal showing in Massachusetts, some of his supporters drifted to Representative Morris Udall, the leading liberal candidate. He had only entered candidates in 24 districts and needed the Bayh candidates' votes in other districts in order to win the State. But the Bayh first

round of the New York primary is that out of all the confusion it will greatly simplify the Democratic Presidential race. The State Board of Elections will be asked to put the names of the candidates on the ballot. There may well be no Wallace delegate candidate on the ballot. Mr. Carter is the most likely

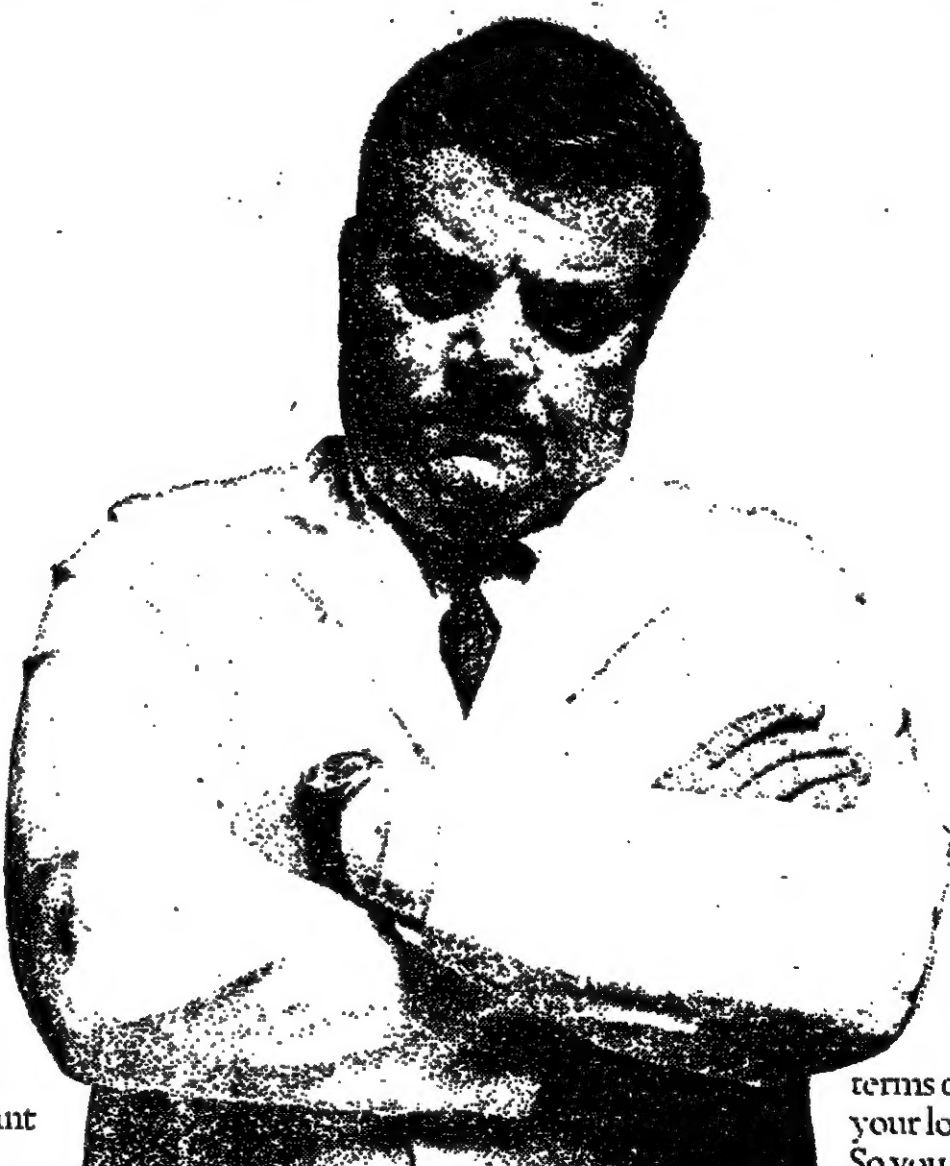
collar and intellectual constituency.

When Mr. Udall saw that the tide was not turning strongly in his direction, he decided to concentrate his efforts on the Wisconsin primary, which takes place on the same day as New York. In a last-minute reversal of policy, the Democratic National Committee ruled that the Wisconsin primary could determine the allocation of the State's national convention delegates, even though Republicans are allowed to cross over and vote in the Democratic race. This was a move to help Mr. Udall.

Of course, in New York, many liberals will vote for Mr. Udall without enthusiasm. Some may vote for Bayh states in the hope of electing uncommitted liberal delegates. If they make three could have a major impact on the liberal vote in the State. Mr. Udall is spending \$400,000 to bring this about and each has made now on the ballot, it is hoped have given for a strong showing while Mr. Carter and Senator Jackson seek their liberal support.

The chief import of the New York primary is that out of all the confusion it will greatly simplify the Democratic Presidential race. The State Board of Elections will be asked to put the names of the candidates on the ballot. There may well be no Wallace delegate candidate on the ballot. Mr. Carter is the most likely

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SOCIALISTS AND COMMUNISTS UNITE IN OPPOSITION

Madrid bans news conference

BY ROGER MATTHEWS

THE SPANISH Government tonight banned a Press conference called to give details of the newly-formed alliance of the Centrist and Left Wing parties which aims to present a democratic alternative to the present regime.

Plain clothes officers from the political police took the names of journalists arriving for the meeting and then said they could be arrested if they did not move away. At least two political leaders were taken to police headquarters.

A police officer said the Press conference had been banned by express orders of the Ministry of the Interior which is headed by Senor Fraga Iribarne, supposedly the most reform-minded member of the Government.

Earlier, Government officials had stated that the Democratic co-ordination, as the new organisation is called, was a tool of the Communist Party and claimed that its formation represented a threat to the country similar to that presented by the setting up of the Popular Front in 1936. Soon after that event, Government officials said, the Civil War broke out.

More than 15 parties and trade union organisations are represented in the new alliance ranging from the Communists, through Socialists and Social Democrats to the left-wing Christian Democrats. In terms of popular support, it could be expected that the parties in the alliance would win a substantial vote in any general elections, although the present unity is only intended to bring about such conditions and would not last beyond a constituent period.

The Government has repeatedly stated that its tentative reformist plans at no point include the Communists who are accused of being a totalitarian organisation that would not accept the rules of a democratic society. Therefore, any organisation which includes the Communists cannot expect any sympathy from the regime which throws into doubt any meeting of minds between more reformist ministers and left-wing leaders.

The extreme right wing has also been in action again. The house of a man accused of Basque nationalist sympathies near the town of Guernica was

blown up to-day and a café near Bilbao was machine-gunned. Although considerable damage was reported, no one was injured in the attacks.

Over 1,000 Basque priests have issued a statement condemning police action in the region and particularly pointing to the death of four workers during recent violence in the town of Vitoria. The split between church and state in the Basque country is thus showing itself to be even wider than before with the priests adopting emotive adjectives such as "fascists" to describe the actions of the security forces.

Police used rubber bullets, tear gas and smoke bombs to disperse thousands of demonstrators in Seville yesterday on the eve of the visit to the town by King Juan Carlos and Queen Sofia. The demonstrators shouted among other things for the resignation of Interior Minister Fraga Iribarne.

Several people were injured in a Madrid demonstration yesterday when police used similar methods to disperse thousands of protesters who tried to block one of the main access roads

from the south after a middle-aged woman had been knocked down and killed at a notorious accident black spot.

Reuter adds: The plan by outlawed Spanish Socialist and Communist parties to sign a formal alliance is a blow to Government reformists, headed by the Interior Minister, who have tried to isolate the Communists and make the Socialists a "loyal" opposition.

Informed sources said some of the signatories still had to seek ratification by their party Congresses. But they added that the alliance would be backed by the two major opposition trade union movements, the Socialist-affiliated General Workers' Union and the Communist-inspired Workers Commissions.

Further evidence of polarisation in Spanish politics came yesterday when an extreme right-wing leader told a cheering rally in Madrid that his men would "take to the streets" if the Government did not enforce General Franco's Basic Laws. The rally, which drew more than 2,000 people, was addressed by the president of the group called New Force, Senor Blas Pinar.

Aegean challenge by Turkey

Turkish Deputy Prime Minister Alpargut said that all Greek islands in the Aegean Sea within a distance of 50km. from the Anatolian Coast should belong to Turkey, officially challenging for the first time Greece's sovereignty over her Aegean islands, reports Metin Munir from Ankara.

All islands which are close to Turkey, including the Dodecanese, must belong to Turkey, Alpargut said in a newspaper interview published to-day.

All islands big and small from north to south within 50 Km. of the Turkish coast, including Lesbos and Rhodes, are in this category, Alpargut said.

UPI writes from Istanbul: U.S. bases in Turkey, closed last year, will be re-opened after the new Turkish-American defence pact is implemented, Foreign Minister Sabri Caglayangil said yesterday.

After the bilateral agreement is implemented, U.S. bases in Turkey will be re-opened, Mr. Caglayangil told reporters on his return from Washington, where he signed the new agreement on Friday after settling final details in three sessions with Secretary of State Henry Kissinger.

Finland strike

The entire Finnish merchant navy went on strike yesterday reports Lancia Keyworth from Helsinki. Barring continued throughout Sunday night and right up to mid-day yesterday. The deadline given by the State Arbitrator for industrial disputes for acceptance or rejection of his compromise proposal.

The employers accepted his properly on condition that all four unions involved did the same. The Union of Ship Officers rejected it out of hand, which automatically started the strike. Cargo services between Finland and the east coast of Britain will be hit by the strike. Both Helsinki and Stockholm will be affected. A spokesman at Helsinki said that weekly sailings of the Orion would be hit for the duration of the strike. A spokesman at Stockholm said that the week's voyage from Harwich to Turku in Finland but he added that it was not known when the ship would return.

Bergman case

Tax charges against film and stage director Ingmar Bergman have been dropped but Sweden's foremost artist is now in seclusion on a remote Baltic island, ill and with career in jeopardy, reports Reuters from Stockholm.

Opel prices

Adam Opel AG, a unit of General Motors Corp. of the U.S., announced price increases for the domestic West German market average of 1.7 per cent effective to-day reports AP-DU from Rueselsheim.

The announcement followed similar increases at Volkswagen AG and Ford of Cologne earlier this month.

Benelux taxes

Finance Ministers of Belgium, the Netherlands and Luxembourg agreed yesterday on harmonising excise taxes on cigarettes and beer in the Benelux, reports AP-DJ from Brussels.

The common excise tax on cigarettes will be 60.5 per cent. The value-added tax, varying from 2 per cent in Luxembourg to 12.5 per cent in Holland, will remain unchanged.



Egyptian President Sadat (left) with West German President Scheel in Bonn yesterday.

Sadat in plea for PLO

BONN, March 26

EGYPTIAN PRESIDENT Anwar Sadat appealed last night for West German support for the Palestine Liberation Organisation, despite Bonn Government statements that the organisation would not be granted recognition.

In the first speech on his two-week trip to five European nations, Sadat said that the Palestine problem is the heart of the Middle East dispute.

"It is time that the Palestine people gets its national territory and is state in which it can live freely and develop," he said at a dinner given in his honour by President Walter Scheel.

"It is time the Palestine people gets back its legitimate rights after suffering the bitterness of banishment for more than 28 years and had to atone for a guilt in which it had no part," Sadat went on, adding:

"I am certain that this appeal will find an echo in the German people, exactly because it has gone through world wars and

their results. I cannot imagine that the German people will not have sympathy for the just cause of the Palestinians, that it will not be conscious of the fact that the Palestine Liberation Organisation incorporates the will of and is a true expression of the will of this people fighting for its rights, and which deserves all support."

Mr. Sadat has not wavered from Pan-Arab demands for recognition of the Palestine Liberation Organisation as the sole representative of the Palestinian people, restoration of their rights and return of all Israeli-occupied territory, as well as an early reconvening of the Geneva Middle East peace conference.

Mr. Sadat and his wife were given a 21-gun salute on their arrival at the airport, which was greeted by a cheering crowd of thousands. He made no arrival statement.

On his programme to-day was a wreath laying ceremony at a monument to the time of Nazism. The monument was erected to all who died in the Second World War, including the 6m Jews killed by the Nazis on the various fronts, civilian victims of bombings.

Diplomatic sources said Germany would not lift its arms embargo to Israel, and Mr. Sadat would not arm to replace those Russians had promised.

Mr. Sadat abrogated Egypt's "friendship" treaty with Russia last week because Russia's refusal to give him the aid and arms he needed to block Israel from sending arms to Egypt.

Although he will get no Government support, Mr. Sadat would grant Mr. Nasser at least \$100,000 (\$40m) in aid, he said.

UPI Middle East news Page 3

SPD dispute as election looms

BY ADRIAN DICKS

BONN, March 26

LESS THAN a week before the key Baden-Wuerttemberg State Assembly election, Chancellor Helmut Schmidt's Social Democratic party has been seriously embarrassed by the public airing of a series of internal party disputes. Each of these, in turn, threatens to make it harder for the SPD to concentrate on its main task of the coming autumn's Bundestag elections.

The most immediate challenge to the party has come from the Munich City Hall. A simmering dispute within the local SPD exploded last week after right-wingers made an apparently serious attempt to form a coalition with members of Herr Franz-Josef Strauss' Christian Social Union rather than put up with the local left-wing of their own party.

Emergency negotiations under the SPD's deputy national chairman, Herr Hans Koschnick, have put off this humiliating threat, but it is not yet clear that the party can retain power in Munich.

No less painful has been the recent conference of the Young Socialists, who have somewhat coolly agreed to give the SPD their support in October, while giving plenty of evidence that they remain uncomfortably radical in the eyes of many SPD regulars.

Finally, dissatisfaction is once again reported to be rife in the State of Hesse, an SPD May 1 stronghold, where Herr Albrecht Oswald, the State Premier, is under heavy attack for his share of the blame in the difficulties of the Hessische Landesbank.

Adding to the SPD's difficulties in tackling these problems are fresh reports of a falling-out between Herr Schmidt and Herr Willy Brandt, the former Chancellor and now party chairman. Herr Schmidt is said to resent Herr Brandt's interest in foreign affairs, and especially his attitude towards Communist participation in a future Italian

French coalition. Herr Brandt is said to be among those who feel that the "Chances" of the SPD are being lost by the loss of the credit for the SPD's 25.5 per cent wage increase.

As a 3.5 per cent wage increase was agreed between management and unions in the German building industry last night, covering about 100,000 workers, and taking effect from May 1, following provisions for metalworking and engineering workers, the deal is second in a major industry year to fall within a range considered acceptable by the Government.

With talks continuing in the number of other important areas, it now appears that the Government and local officials are themselves on employers' side of the table.

Administrative barriers to it is also an objective. Mr. Stauvink feels that the ECE could be used by governments to study the use of organising large-scale internal projects related to energy, transport, and other areas.

Of the future activities of the Commission, the report is that an increasing scarcity of water is already limiting expansion of energy supply and the growth of industry. The water problem is already under examination in the Commission's studies at a valuable tool for Governments in the preparation of their own water management policies.

All these areas come within the terms of co-operation in the field of economics, science, technology, and of the environment, held up in the final set of the Helsinki conference as a contribution to the reinforcement of peace and security in Europe and in the world as a whole.

But, Western nations will, doubtless be weighing the possibilities of such progress with Helsinki's basket of trade, as proposed by the CSCE, could significantly extend the work already being carried out by the Commission, and the ECE's European and particularly Soviet Union with the East.

Three preoccupation with great freedom in the movement of people and ideas. To many, been the West that was what a good-will offensive really means.

With regard to east-west trade, the study of an international system of notification of laws and regulations relating to foreign trade, as proposed by the CSCE, could significantly extend the work already being carried out by the Commission, and the ECE's European and particularly Soviet Union with the East.

Western countries have been a little less forthcoming in terms of new suggestions and will be watching with interest for indications of just what this good-will offensive really means.

But the U.S. for one, largely as a result of developments in southern Africa, has been clearly signalling its lack of conviction about the genuineness of the Soviet commitment to defend the European Community on the other hand, is tempered by the possibility, at last, of serious negotiations with the Comcon.

The ECE secretariat itself stresses the importance of its organisation as a policy making tool which could make for a greater integration of national programmes by way of its long-term studies of economic perspectives. These studies at present cover energy and basic products, but could, it is suggested, be extended through a more intensive dialogue among policymakers to include factors of growth and investment policies, integrated regional planning, manpower trends, and the infrastructure of transport, as well as an assessment of long-term trade prospects.

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Giscard 'proposes expanded snake'

PARIS, March 26

FRENCH PRESIDENT Valéry Giscard d'Estaing has reportedly submitted to other European Economic Community (EEC) leaders a proposal for an expanded Snake, the French President reportedly suggesting an adjustment of Snake mechanisms and of current exchange rates of Snake members.

Currencies in the EEC sources said they do not expect any dramatic decisions from the summit meeting but rather anticipate that it may produce some new momentum for preparations of a July summit in Brussels where actual decisions could be taken.

There was not any confirmation available in Brussels from EEC authorities of the reported expansion of the Snake, the French President reportedly suggesting an adjustment of Snake mechanisms and of current exchange rates of Snake members.

According to sources who claimed they had some knowledge of President Giscard's ideas submitted to EEC Government leaders, he broadly suggests that the Snake, now linking such currencies as the West German Mark, Dutch Guilder, and the Belgian-Luxembourg franc and the EEC leaders meet at a summit in Luxembourg on April bringing in the French Franc, 1 and 2. Sources said the British and Irish pounds and document is highly confidential Italian Lira.

In order to allow such an expansion of the Snake, the French President reportedly suggesting an adjustment of Snake mechanisms and of current exchange rates of Snake members.

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French monetary and economic move. Dominick J. Coyle reports from Rome: The slide of the Italian Lira against major currencies at the weekend continued to-day, the dollar being \$54.95, seven points off the rate last Friday.

The Bank of Italy is believed to have supported the rate in early trading before the fixing, when the dollar was being quoted at L262-864, compared with an all-time low less than two weeks ago of 888.

Banking circles attributed the decline to published reports that difficulties have arisen over a projected Italian drawing of a further \$350m from the International Monetary Fund.

IMF officials are known to have expressed concern at the likely level of Italy's public sector deficit this year, and they are also believed to be pressing for the introduction of some form of incomes policy.

There has been no official acknowledgment here of these difficulties, and the Italian Treasury has indicated publicly that it expects the IMF loan to go through following resumed negotiations "in the next weeks."

Chemicals, glass, and textiles is up by between 5 and 10 per cent, from just four months ago.

What is more, every sign is that the trend has continued subsequently. It now looks increasingly likely that earlier predictions, themselves branded as over-optimistic, of a 4.5 per cent growth in 1975, will prove to be on the low side.

The January data confirms that the upswing has spread from consumer products — now virtually back to their best levels of production early 1974 before the recession — to intermediate goods.

According to the Ministry, activity in badly-hit sectors like

French industrial output rises

BY RUPERT CORNWELL

PARIS, March 26

THE VIGOUR of the current French economic recovery was underlined to-day by statistics from the Finance Ministry showing that industrial output rose a further 2.5 per cent in January, after a 3.5 per cent jump in December.

The rise in the production index to 119 from as low as 111 broke — to intermediate goods, at the end of September, 1973. According to the Ministry, supports the latest official pronouncement that the economy is now growing at a rate of some 7 per cent on an annual basis.

The January data confirms that the upswing has spread from consumer products — now virtually back to their best levels of production early 1974 before the recession — to intermediate goods.

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50 Avenue Foch

Habiter Avenue Foch, à Paris? Autant habiter le bon côté. Côté droit, quand on descend. Côté soleil. Côté cinquante. Toutes les grandes avenues du monde ont un bon côté. Avenue Foch, depuis un siècle, les plus recherchés sont les numéros pairs.

Le cinquante. Au numéro cinquante, s'édifie un ensemble nouveau et très fidèle à l'Avenue Foch. Avec des appartements de 3, 4, 5 pièces dans les superstructures. Et avec des hôtels particuliers de 4, 6, 8 pièces dans la partie basse où se mêlent patios, verdure, jardins suspendus : au total, 4000 m² de verdure sur les 5800.

Appartements et hôtels particuliers. L'architecte et le décorateur ont voulu un style "pierre et ton bronze" qui respecte la tradition de l'Avenue du Bois, mais qui n'a rien de rigide, grâce à une conception très libre des espaces. Les pièces sont conçues pour recevoir, mais dans un esprit d'intimité et de chaleur tout à fait dans le goût actuel.

Le calendrier des travaux. Il est conçu pour que, dès maintenant, vous puissiez vous décider sur les aménagements intérieurs que vous souhaitez - dans le cas où vous en souhaiteriez d'autres que ceux prévus par l'architecte et le décorateur.

Société de commercialisation : SFOI (anc. Bechheim F et F), 23, rue de l'Arcade 75008 Paris. Tél. 265.41.21.

For the United Kingdom: Herring Daw, 28/28a Sackville Street - London W1R/2. Q.L. Tel. 01-734.8155. 63, rue Pierre-Charron - 75008 Paris. Tél. 256.07.81.

50, Avenue Foch 75116 Paris. Tél. 704.60.65.

Actuellement, tous les jours de 11 h à 18 h, sauf dimanche et jours fériés. Samedi de 10 h à 17 h. Dans le hall d'accueil et de vente : maquettes, plans et "livret de bord" édité à votre intention personnelle.

LI-SAN HIAZI

raeli Press condemns est Bank deportations

Pakistan debt at \$5.3bn.

ian Press

se banks

liam sales

for Korea

By A Staff Reporter

U.K. EXPORTERS will have opportunities for £5m. business in capital goods and services with South Korea in the next 12 months, under a £5m. line of credit guaranteed by the Export Credits Guarantee Department.

The £5m. loan by Lloyds Bank Limited to the Korea Exchange Bank is the third line of credit to be arranged, the first two having been fully used. The previous lines were for £5m. in 1970, and £5m. in 1975.

that the fighting in Lebanon should be brought to an end as soon as possible.

Observers said that Syria is stepping up its initiative after Egyptian President Anwar Sadat had called for sending Arab troops to Lebanon to separate the combatants. Radio Damascus said in a commentary to-day that Egypt's purpose is to undermine the Syrian initiative in Lebanon. The radio charged that those standing against Syrian media

The sources added that the resignation of President Franjeh is a foregone conclusion. Mr. Jumblat's objective appears to be to dictate his terms for the application of his programme of secular reform. The programme calls for ending the 33-year-old Lebanese confessional system, under which executive and legislative posts are divided along religious lines.

By Our Own Correspondent

Bribery and "baksheesh" are not new to the Arab world, but this is one of the very few cases ever to come openly to court. Sheikh Zayed, the President of the UAE, has pledged to wage a war against such corruption. This case is reported to be the first of a series, and the ripples from the hearing could go embarrassingly wide.

BY COLINA MacDOUGALL

Production

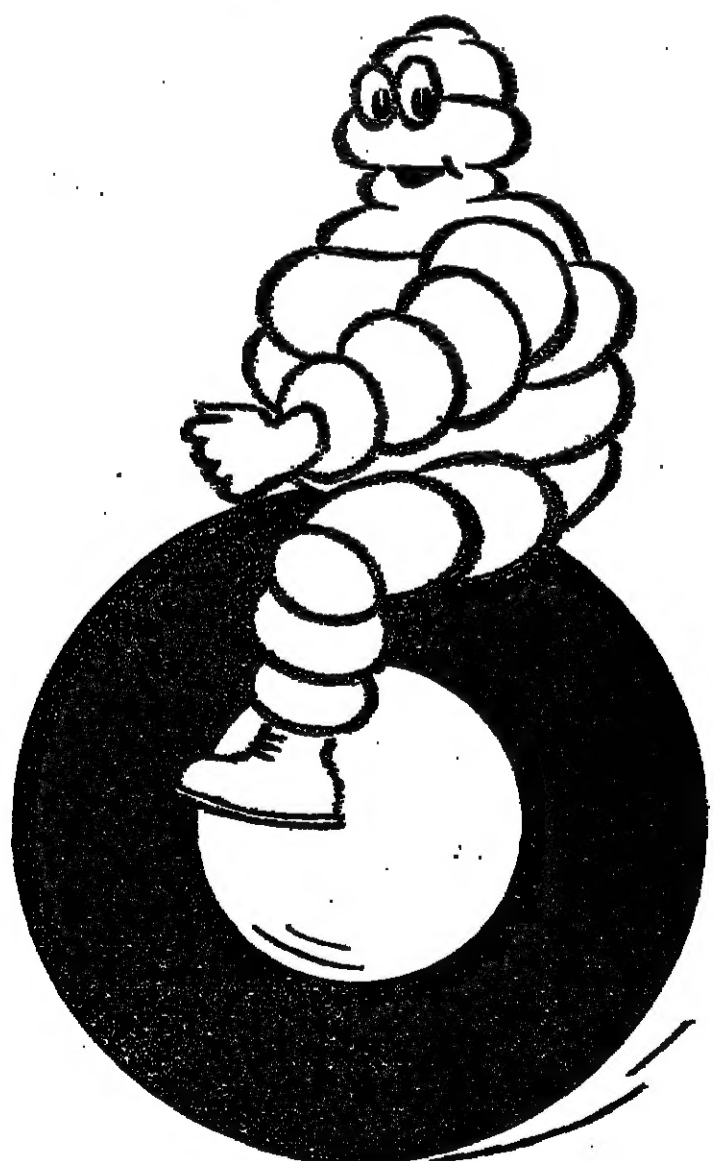
Doctrine

Adherence to the pure doctrine of "the dictatorship of the proletariat" lends itself to some peculiarly Chinese inefficiencies. A party of European businessmen, on the eve of a voyage to Shanghai, shipyard saw a group of 70 workers grinding the metal mount of a ship's propeller. Due

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business?

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Quiet family man into red hot agitator

In factories all over Britain this summer men on shop floors will become agitated and bloody minded.

Productivity will melt, industrial relations will slip in sweaty atmospheres of stifling heat, fumes and the stench and racket of machinery.

Bad working conditions can frustrate even mild men into trouble-makers.

There is a simple decision management can take to avoid this situation. Improve working conditions with good ventilation.

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factory at its most productive, give your workers back their self respect, and protect their health.

Every summer we handle hundreds of emergencies like this where workers have forced management to act.

It would be so much better if management acted first.

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CONTRACTS AND TENDERS

HOME NEWS

UNITED ARAB EMIRATES
Ministry of Electricity and Water
P.O. BOX 1672, DUBAI

The Ministry of Electricity and Water for the United Arab Emirates invites tenders for the following works:-
Tender No. N2428
Specification No. N35.1/1976
Comprehensive mechanical and electrical works (excluding Desalination Plant) for the new power station to be constructed near Umm Al Quwain and having capacity of about 500MW.
Applications for tender documents should be made during normal office hours at the Ministry's offices in Abu Dhabi or Dubai in the UAE or at the UAE Embassy in London. Only firms who have had experience in engineering similar projects should apply.
Each tender fee is Dirhams 2,500 if collected in the UAE or £300 sterling if collected in London and is not refundable. Volume I (Instructions to Tenderers, Forms and Conditions of Contract) of the tender documents and an abbreviated specification is already available and the remaining volumes 2, 3 and 4 (Specification, Schedules and Drawings) will be available from 10 April 1976.

Tenders must be valid for 100 days. Tenders must be accompanied by a bid bond in the form of unconditional bank guarantee of Dh12,000,000 (12 million) valid for 130 days. The successful tenderer will be required to replace this with a performance bond equal to 10 per cent of the total contract sum for the period of the contract. The tender documents must be complete and submitted in quadruplicate. Each copy shall be enclosed in a plain envelope not bearing any identification of the tenderer and marked only on the outside with the tender number.
Four copies shall be addressed to:- His Excellency the Chairman, The Permanent Committee for Projects, Ministry of Planning, P.O. Box 2847, Abu Dhabi, UAE.
Tenders must be received not later than 17.00 hours on 27 June 1976. This advertisement is a supplementary notice of this tender document. It is important that the plant is in commercial service as early as possible in 1978.
Abdulla Bin Humaid Al Qassimi Minister.

New technology
'doomwatchers'
group proposed

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CREATION of a "technology implications commission," accountable to Parliament, to monitor the environmental impact of advanced technical projects is proposed in a report from the Council for Science and Society, published today.
The proposal arises from the findings of a working party set up by the council, which showed that the factors apt to limit technological consequences from the Council for Science and Society, published today.
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Judge
reduces
Murphy
fine

FINANCIAL TIMES REPORTER

J. MURPHY and SONS, the building concern which together with an associated company was fined £750,000 at the Old Bailey last week, last night had the total reduced to £375,000.
Judge King-Hamilton convened a late sitting of the court to announce that when he imposed the fines last week he had assumed that the amount of tax lost as a result of the conspiracy to defraud the Inland Revenue was about £1m.
He accepted that this was on the basis of a 30 per cent tax deduction on the wage bill involved in the relevant period between 1972-74 of nearly £5m, whereas if it was calculated on the basis of a 17 per cent deduction it would be less than £1m while defence counsel had claimed that it might even be much larger.

North Sea 'must
meet U.K. needs
of refined oil'

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has told oil companies it wants to see up achieve a voluntary agreement to two-thirds of North Sea oil with oil companies over the production refined in the U.K. implementation of these policies, and Britain to be self-sufficient, but "direct measures" would be in place, especially taken if needed.
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ELETRORAS
CORLBA CELPE COELCE
CIA. AUXILIAR DE EMPRESAS
ELETRICAS BRASILEIRAS
CAEBB
INVITATION TO PROSPECTIVE SUPPLIERS

The Companhia de Eletricidade do Estado da Bahia, The Companhia de Eletricidade do Pernambuco and The Companhia de Eletricidade do Ceará have applied for a Loan from I.B.R.D. (World Bank) to cover part of their respective electrical expansion programs planned for the years 1976, 1977, 1978 and 1979.

These several companies have contracted Companhia Auxiliar de Empresas Eletricas Brasileiras (C.A.E.B.B.) to co-ordinate the application of the Loan funds.
The programs will cover the expansion of the sub-transmission, and distribution systems of the aforementioned companies which will include, but is not limited to, the application of the undermentioned types of equipment and materials:

- 1-Aluminum conductors
- 2-Copper conductors
- 3-Line hardware, crossarms and accessories
- 4-Insulators
- 5-Disconnect and power fuse switches
- 6-Leadbreak switches
- 7-Capacitors
- 8-Capacitor switches
- 9-Station type voltage regulators
- 10-Distribution type voltage regulators
- 11-Automatic sectionalizers
- 12-Reclosers
- 13-Luminaries and accessories
- 14-Distribution transformers and power transformers
- 15-Circuit Breakers
- 16-Metal-clad switchgear
- 17-Control and protection switchboards
- 18-Relays
- 19-Lightning arresters
- 20-Test board
- 21-Watt-hour meters
- 22-Battery/charger set
- 23-Grounding systems
- 24-59kV insulated conductor
- 25-Metal-clad SF6 switchgear
- 26-Duplex switchboard for SF6 switchgear
- 27-Laboratory equipment
- 28-Hot line maintenance equipment
- 29-Radio communications equipment
- 30-Trailer and equipment for mobile substation
- 31-Capacitive potential transformer
- 32-Air conditioning system
- 33-Fire protection system
- 34-Steel structures
- 35-600V insulated conductors
- 36-Test and laboratory equipment generally utilized on electrical distribution system

Invitations to Bid will be issued by C.A.E.B.B. and are open to any manufacturer or supplier located in any member country of the International Bank for Reconstruction and Development (The World Bank) or Switzerland. The use of raw, semi-manufactured or manufactured material from a non-member country other than Switzerland will not be permitted.

Suppliers and manufacturers located in any member country of the International Bank for Reconstruction and Development (The World Bank) and Switzerland will be included in a mailing list and to receive the aforementioned invitations to Bid are requested to express their interest in a letter to Companhia Auxiliar de Empresas Eletricas Brasileiras (C.A.E.B.B.) at the office of the Coordenador de Compras in the Avenida Rio Branco, 135-138 Andar Rio de Janeiro-ZC-00, Rio de Janeiro 20.000, Brasil-Post Office Box No. 551.

The letters from prospective suppliers and manufacturers should include the undermentioned information:-

- 1) A record of experience and past performance in the manufacture of the equipment and material they propose to bid.
- 2) A resume of the manufacturer's capabilities with respect to personnel, equipment and plant.
- 3) The manufacturer's financial position.
- 4) Catalogues and descriptive literature of the types of material and equipment which the manufacturer proposes to bid.

These letters will be received up to and including May 31st, 1976 and after this date only approved manufacturer will be included in the mailing list of the bids for those equipments and materials which he has a proven capacity to supply.
Letters and enquiries received after May 31st, 1976, will not be considered, and manufacturers or suppliers not registered by C.A.E.B.B. by this date will not be permitted to participate in the bidding.

COMPANY NOTICES

UNION CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the annual general meeting of members of Union Corporation Limited will be held on the 4th floor of Union Corporation Building, 74-76 Marshall Street, Johannesburg, on Wednesday, 21st April 1976, at 11.00 a.m. for the following business:-
1. To receive and consider the annual financial statements in respect of the year ended 31st December 1975.
2. To elect directors in accordance with the Corporation's articles of association.
BY ORDER OF THE BOARD. L. R. STRIDE, Secretary.

Union Corporation Building, 74-76 Marshall Street, Johannesburg 2001.
20th March 1976.
NOTE:
1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and, on a poll, to vote in his stead. The proxy need not be a member of the Corporation. Forms of proxy must be returned to the Johannesburg office of the London Transfer Office of the Corporation at least 48 hours before the time appointed for the meeting. The proxy holder, and register of members will be used from 10.00 a.m. to 1.00 p.m. on the day of the meeting for the purpose of ascertaining the number of shares held by each member and the number of votes cast by each member. A member who is unable to attend the meeting should send a duly signed and stamped proxy to the Johannesburg office of the London Transfer Office of the Corporation at least 48 hours before the time appointed for the meeting. A member who is unable to attend the meeting should send a duly signed and stamped proxy to the Johannesburg office of the London Transfer Office of the Corporation at least 48 hours before the time appointed for the meeting.

LEGAL NOTICES

No. 9953 of 1976
In the High Court of Justice (Chancery Division) Companies Court in the Matter of STONEMASTER BUILDING CONTRACTORS LIMITED and in the Matter of The Companies Act 1968, NOTICE is HEREBY GIVEN that the Petition in the above matter was presented to the Court on the 10th day of May 1976, and that the Court has appointed the 27th day of May 1976, as the day for the hearing of the Petition. Any creditor or contributory of the said Companies desiring to appear at the hearing of the Petition should apply to the Court for leave to do so on or before the 27th day of May 1976.

And that the said Petition is directed to be heard by the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 27th day of May 1976, and any creditor or contributory of the said Companies desiring to appear at the hearing of the Petition should apply to the Court for leave to do so on or before the 27th day of May 1976.
K. KRISOPIAN, Solicitor for the Petitioners, 10-11, Mark Lane, London, E.C.3.
NOTICE TO CREDITORS AND CONTRIBUTORS
In the High Court of Justice (Chancery Division) Companies Court in the Matter of STONEMASTER BUILDING CONTRACTORS LIMITED and in the Matter of The Companies Act 1968, NOTICE is HEREBY GIVEN that the Petition in the above matter was presented to the Court on the 10th day of May 1976, and that the Court has appointed the 27th day of May 1976, as the day for the hearing of the Petition. Any creditor or contributory of the said Companies desiring to appear at the hearing of the Petition should apply to the Court for leave to do so on or before the 27th day of May 1976.

GOURMET

GALLIOPOLI RESTAURANT, 40 Old Broad Street, E.C.2. Open every day for lunch, dinner and dancing. Tel. 01-583 1522. Sun. 10.30 a.m. to 1.30 a.m.

APPOINTMENTS

BUCKMASTER & MOORE
GILT DEPARTMENT

Invite enquiries from experienced Gilt specialists to fill the following positions:

GILT DEALER

Fully experienced in all aspects of this market. The ability to service clients directly would be an advantage.

SALES

Experienced in Institutional Switch Business. There is computer based analytical support co-ordinated by our Actuary.

Replies in confidence to: Bill Fox, Head of Gilt Dept., Buckmaster & Moore, The Stock Exchange, London EC2P 2JT. Telephone: 01-555 2668

COMPANY NOTICES

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED

Incorporated in the Republic of South Africa.
Notice is hereby given that the 1975 Annual General Meeting of the above company will be held on Wednesday, 21st April 1976, at 11.00 a.m. for the following business:-
1. To receive and consider the annual financial statements in respect of the year ended 31st December 1975.
2. To elect directors in accordance with the Corporation's articles of association.
BY ORDER OF THE BOARD. L. R. STRIDE, Secretary.

STOCKBROKERS

An opening exists within an old established firm for an executive to take charge of the company's expanding bank department. The successful candidate will be experienced at all levels of investment work and will probably be in the age group 25-30. Ability to work within a team atmosphere essential.
Write Box A 5492, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

CANADIAN PACIFIC LIMITED

Incorporated in Canada.
NOTICE TO SHAREHOLDERS
The 1975-76 Annual General Meeting of the Canadian Pacific Limited will be held on Wednesday, 21st April 1976, at 11.00 a.m. for the following business:-
1. To receive and consider the annual financial statements in respect of the year ended 31st December 1975.
2. To elect directors in accordance with the Corporation's articles of association.
BY ORDER OF THE BOARD. L. R. STRIDE, Secretary.

COMPANY NOTICES

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2. To elect directors in accordance with the Corporation's articles of association.
BY ORDER OF THE BOARD. L. R. STRIDE, Secretary.

SPECIAL GENERAL MEETING

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Recovery
in 'U.S. can
aid Britain'

By Michael Blandin

BRITAIN is likely to benefit more than the rest of Europe from the economic recovery in the U.S. Mr. Alfred Mossi, executive vice-president of Continental Illinois Bank of Chicago, said yesterday.
He foresaw continued economic growth in the U.S. with an expansion in the real gross national product of about 5 per cent over the current year. It was particularly encouraging that the recovery was not being accompanied by a rapid increase in inflation.
This was the key to the renewal of consumer confidence, which was leading the recovery, as real incomes started to improve again after a period of two years of decline. "Increased consumer spending has resulted in a sharp reduction of surplus inventories."

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New energy crisis 'could
come by end of century'

BY OUR GLASGOW CORRESPONDENT

ANOTHER ENERGY crisis more complacent in our use of oil. "We have been warned and given a breathing space, but the real question now is whether we are going to be able to use it." He did not think that the lessons of 1973-74 had been learned to any significant degree and there would have to be further investigation into alternative sources of supply.
Later, Mr. Chandler said he believed very little fundamental change had occurred in the pattern of energy uses since 1973.
"The industrial world to-day is still basically dependent on imported energy in the form of oil. There are very few countries which have the capacity to change this picture for the short term. It is very costly and it takes a long time to change it significantly."

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'Bulb dumping' jobs fear

BY OUR INDUSTRIAL STAFF

QUICK GOVERNMENT action to stop the alleged dumping of dregs of British jobs at risk. The industry, with a turnover of about £50m, includes companies such as Thorn, GEC, Philips and Crompton-Parkinson. The Department had called the industry to form a working party to study the situation and to make recommendations. The industry has agreed to form a working party to study the situation and to make recommendations. The industry has agreed to form a working party to study the situation and to make recommendations.

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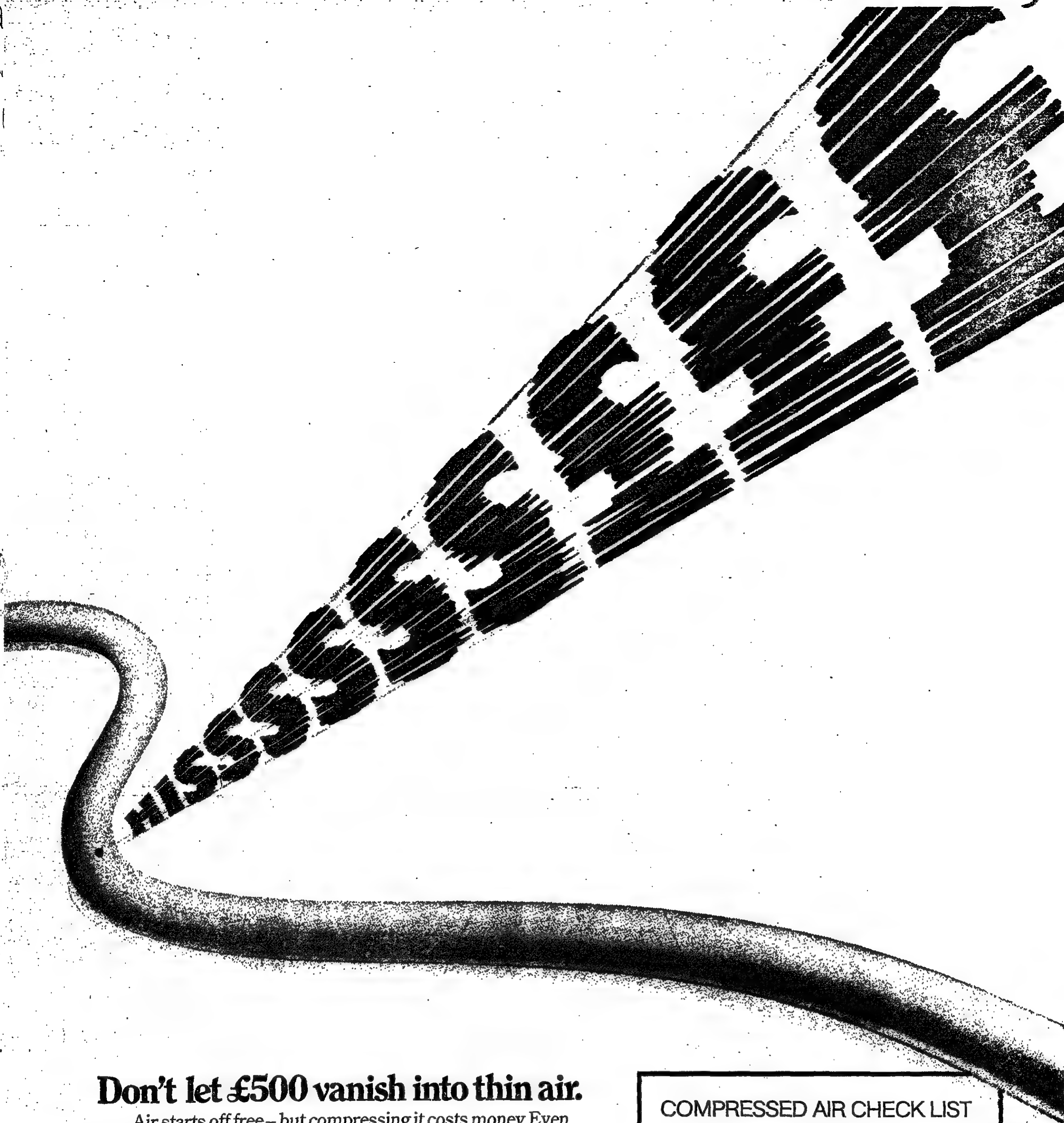
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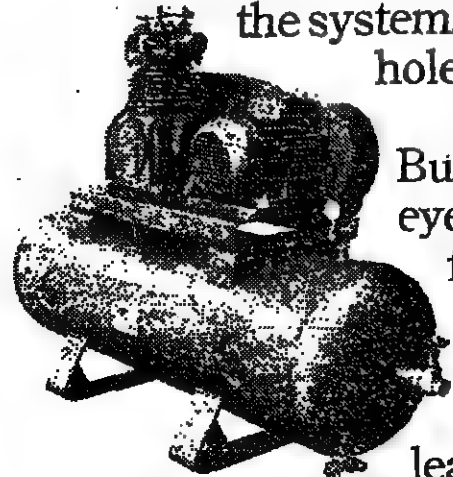
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Don't let £500 vanish into thin air.

Air starts off free – but compressing it costs money. Even running something as small as one 100 cfm compressor can cost you £2,700 a year.

And you can add a bit more if it's leaking out anywhere along the system. A constant leak at 100 psi through just one $\frac{1}{8}$ " hole adds another £500 a year.



Well at prices like that it doesn't do to waste it. But it's probably being wasted before your very eyes because of ingrained habits, which, because familiar, escape notice. Habits like cleaning down benches, floors, clothes, lockers. Compressed air is an expensive substitute for a brush.

And it might be wasting itself through leaking pipes and joints, faulty controls and tool connections. Furthermore you could be using a lot of power compressing air to high pressure when low pressure would do just as well. Or maybe your compressors are running through long hours when nobody's using compressed air.

It needs a bit of thinking about, but we can help. Start off by giving this check list to whoever's responsible for energy in your company, best of all your Energy Manager. And start reducing the cost of your factory services right away.

Department of Energy.

COMPRESSED AIR CHECK LIST

Involve your workforce by getting them to report any leaks or faults in the system. How often does your maintenance department test for leaks?

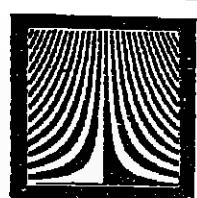
Discourage the use of compressed air for any purpose other than its proper function.

Can you reduce the burden on the central system by installing a small localised compressor for a particular process which must use high pressure?

Ensure that compressors aren't left running when not required. A single 1,000 cfm compressor left running but not generating compressed air costs nearly £10 a day.

Check the location of the air inlet and make sure you use clean, cold air.

**SAVE
IT**



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHWETERS

● AUTOMATION

Steel rolled more accurately

SPECIAL STEELS divisional engineering services department of the British Steel Corporation has invented a device which is said to be saving many thousands of pounds on rolling operations.

Called the Roll Alignment Monitor, it produces better and more consistent steel bars and sections by enabling operators to set up the rolling mills faster and more accurately—and to monitor rolling all the time—with a consequent cost saving.

Considerable material and man hours are expended in ensuring that the axial alignment of the rolls in a bar, rod or section mill is correct. Once rolling begins there is no sure way of

keeping it right, and the first sign of misalignment is the appearance of out-of-tolerance material.

Axial movement of the roll may be caused by end thrust from inaccurate or too hurried settings, or excessive bearing wear. It is the start of a sequence that often leads to mechanical breakdown of the mill, increasing maintenance costs and reducing plant availability.

BSC says the monitor cuts these costs. Savings of between £10,000 and £30,000 a year can be achieved depending on the type and size of the mill.

The monitor uses a non-contacting sensor to measure axial roll movement during rolling—any variation from the original

setting is shown on a digital read-out to 0.01 mm. With such precise dynamic measurement of the relative position of the two rolls, setting is faster and more accurate, and an early warning of bearing failure is given.

BSC has already installed 25 monitors, and achieved substantial savings last year. The Corporation is now interested in appointing licensees to manufacture and market the patented monitor—so far it has concluded an agreement with the Italian company, Danelli, which covers Italy, France, Spain and Scandinavia.

Details from BSC Special Steels Division, PO Box 64, The Mount, Broomhill, Sheffield S10 2PZ (0742 660081).

● HANDLING

Collapsible pallet box

CASEPAL is a two-piece palletised container developed by Jewson Cases and Pallets in collaboration with Abnott's Packing. The base is a 4-way entry timber pallet with a heavy-duty corrugated board deck, inset from the pallet edge. The case, also of heavy-duty corrugated board, is open ended with flaps at the top only. The open end fits on to the raised and recessed pallet deck.

Capable of carrying a load, the containers are delivered collapsed, with the pallet bases nested in pairs. Assembly is stated to take only seconds. Usually the load is built up on the pallet base, the container is slid over the load, then strapped in place.

There are six standard sizes but the versatility of the design allows customers' requirements to be met. The pallet can be slung and the case can be slipped with a cap closure.

Details from Jewson Cases and Pallets, Southtown Road, 10 Yarmouth, NR31 0HZ (0493 56661).

Industrial folding silos

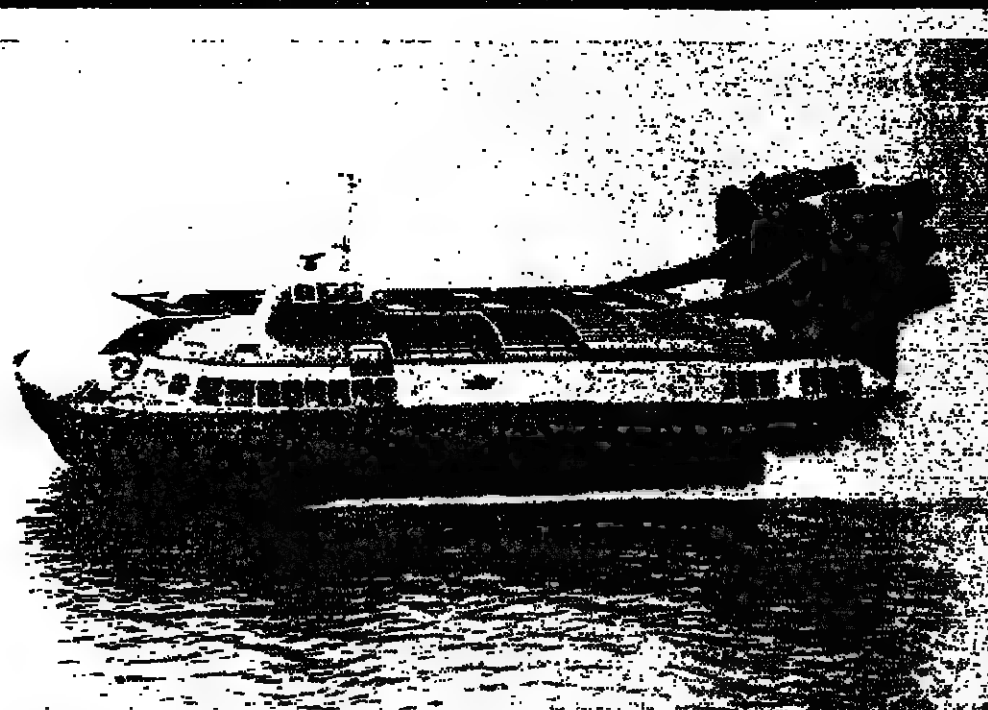
MADE FROM galvanized steel and Treva's high tenacity polyester fabric, a range of industrial folding silos has been developed in Germany.

Called Totake, the range can be erected by a small crew within 16 hours without the use of specialised lifting equipment. When dismantled, the silos can be transported on standard flat-bed lorries.

The polyester fabric body is PVC coated, and spirally welded to produce almost horizontal seams for maximum strength. The silo bag is supported within a collapsible tubular steel frame-work. A mild steel cone outlet at the base is polyester lined.

It is claimed that discharge of materials with poor flow characteristics presents no problem, as the flexing of the silo walls prevents sticking. There is no internal condensation which would affect powders such as cement. The fabric is weather, chemical and corrosion resistant, and ultra-violet stabilised. A working life of at least 20 years is expected.

Capacities range from 30 to 125 cu. metres, and the silos are marketed in the U.K. by IRC Containers, Marshall House, St Mary's Road, Long Ditton, Surrey (01-308 8678).



Vosper Thornycroft's military prototype VT2, one of the largest hovercraft yet built, takes to the sea during recent trials. The entire skirt system for the craft has been manufactured by Avon Industrial Polymers. The VT2 weighs nearly 100 tons fully laden and has a speed of over 60 knots.

● INSTRUMENTS

Big push by Kent

TIMED to appear on the market at the same time as the first Instruments, Electronics and Automation Exhibition, the Kent Group's instrument company at Luton is featuring the P3000 pneumatic process controller employing a straight up and down pointer movement. Switching sequences and alarms are performed by pneumatic logic units which are claimed to be completely reliable and provide auto-manual switching without "bumps." Direct digital and computer set point control is possible.

Kent Instruments has also introduced a probe system which will measure the net oxygen concentration in the flue gases from combustion processes. No sampling is involved, and the measurement is accurate to about five per cent. A solid electrolyte electrochemical cell is used.

Apart from announcing three new meters in its Metron range of oil meters, able to measure flow rates in larger mains, Kent Meters also of Luton has developed a remote read-out unit for its water meters. This generates its own pulses which can be fed over 100 metres of pair cable to a point convenient for reading, for example, outside the premises.

Another company in the group, Electronic Instruments of Chertsey, Surrey, will be appealing to plant engineers with the re-

minder that even 0.01 ppm of dissolved oxygen in a boiler of 1,000 kilobars capacity can carry away some 200 lb of iron as rust in a year. Accordingly, the company has added a calorimeter to its 9430 dissolved oxygen monitor to improve sampling accuracy. In addition, it has introduced a self-cleaning and checking dissolved oxygen system for monitoring effluent treatment processes of a highly organic nature. The system, designated 9407, has an electrode unit which cleans and checks itself within minutes, entirely automatically.

Emerging from George Kent Electronic Products at Cambridge is a new carbon dioxide purity analyser that can be left unattended for up to a month without maintenance. Applications are in breweries and in carbon dioxide stores.

More on all the companies' products from George Kent, Biscot Road, Luton, Beds. (0662 21181).

Guarantees watchman's rounds

THE RECORD provided by the 3010 watchman's clock from Simplex Time Recorder eliminates the guesswork associated with the chart type of device, and ensures that patrols are carried out precisely to schedule. Time and station numbers are printed on a paper tape providing a legible and accurate record of the hour and minute an in-seey, Surrey, will be appealing to plant engineers with the re-

Enough tape is carried to ensure that long week-end patrols can be carried out without opening the clock; up to 1,800 registrations can be made.

The eight-day, 13-jewel movement can stand rough treatment and the system includes a tamper-proof feature: if the clock back is opened and closed the time is printed on the tape, but no station number. More details from 82, Wilbury Way, Hitchin, Herts. (0462 52081).

Versatile level indicator

SUBSTANCES RANGING from wood chippings to sulphuric acid can be assessed for level using the Ramatrol system introduced by Adwel Industries, Power Road, London, W4 5PZ (01-994 1764).

The sensor uses a form of radio frequency technique rather than conductance or capacitance. Fluctuations in the medium level around the probe elements alter the dielectric constant which alters the frequency of a tuned circuit. This in turn actuates a relay to produce any required secondary action.

The stability and sensitivity of the device enables it to tell the difference between a flow over the probe, and a level change. This is useful in applications such as the handling of grain, chemical powders or granules. In these instances it is often necessary to determine lack of flow, or to be able to establish level without activation of the probe by material passing over it.

Lowell Bil
for
construction
01-9951313
Lorries
etc

● POWER

High power at high voltage

DESIGNED in conjunction with AEA at Harwell is a very high voltage power supply from Hunting Hilvoit able to deliver 2.5 kW at voltages ranging from 1 at 112 mA to 200 kV at 14 mA. The units use Cockcroft-Walton disc modules of a variety of stacking combining to give the required output. The high voltage stacks, former and converter, units may be supplied singly or in a rack unit.

The use of semiconductor circuits and RF oscillator wide the major advantages conventional mains system stability in ripple and voltage. There is also low standby power.

Applications of the series will be in electron beam welding, x-ray equipment, ionisation and similar. More from Old Shop Road, Shoreham-by-Sea, S (07917 4511).

● CONFERENCES

Delegates put in the picture

AN international conference on video-discs is taking place in London from April 13 to 15. Under the title Video-Disc, the conference will explore the commercial and educational applications of this new medium and assess market opportunities.

Specific subjects being discussed include financial and research into video-discs, the medium for advertising, its impact on publishing, printing industry, broad-band cinema, and applications of the video-disc in education, training and information storage. Details from EBAV (U.K.) New Road Street, London, 9HB (01-629 9381-2).

Steelwork design systems

GREAT West Steel Industries of Canada, steel fabricator and large scale process plant supplier and joint owner with Shell International of Birtley Engineering, has opened a Manchester office for the "Taskmaster" computing systems division.

This method of design is aimed primarily at the steel fabricator and is intended to provide an integrated computer-

assisted design system to cover the design, detail, and production control process, from the provision of drawings to the associated control paper work.

The system comes in two versions. One is an on-line bureau version in which the company provides the terminal, the education, and the suite of programmes accessed on the line to a large IBM system.

The second is a minicomputer version based on an Interdata 732.

Taskmaster is widely used in Canada, and has so far been sold in Mexico, Italy and France. In the latter country it is also offered with "Somel", whose successes include using the programme for some thousands of

tons of steel fabrication for the Peking-based Machine Corporation.

Taskmaster is claimed to be unique in its ability to link established application programs, given that they are supported by pre- and post-processors, without any need to rewrite the programs.

It is priced according to the facilities used, connect time, process time, storage, and is dependent upon the tonnage requiring design and processing. But it is generally better and cheaper to apply than existing manual methods. Where £25 per ton of associated costs are quite normal with existing methods, around £15 a ton is claimed for Taskmaster.

● MATERIALS

Industrial laminates recognised

FORMICA has announced that it has been fully approved as a supplier of industrial laminates for use in Ministry of Defence applications.

This approval covers the full range of the company's unclad and metal clad industrial laminates manufactured at its factory in the North of England.

Formica says its glass epoxy copper clad grade CFG 83 now has type approval by the Ministry of Defence against DEF STAN 59-50, and adds that its

new glass epoxy copper-clad grade CFG 96 has met the requirements of the Post Office specification M407B and been added to the published list of approved materials.

● ELECTRONICS

Positions recording heads

ENGINEERS working on card-index drive development at Data Recording Instrument Company at Staines, Middlesex, have devised and patented a method of accurately positioning the recording head without the need for pre-recorded media.

It has been introduced in the

Series 3200 family of front-load drives, DRI's enhancement of the internationally established Series 30, which uses increased packing densities to achieve a substantially improved performance.

First details of this head positioning technique, which keeps down manufacturing costs and reduces the media bill for the user, have just been launched.

One model, the 12 Megabyte Model 3212, provides four times the storage capability, with twice the transfer rate, of the most powerful Series 30. Data is recorded at 4,400 bits per inch on tracks with a density of 300 tpi. However, instead of requiring the use of initialised cartridges, where prewritten servo-information "homes" the recording head to the required data track, Series 3200 drives achieve the necessary precision positioning by means of a technique known as fingerprinting. This is a method of programmed error correction to overcome performance differences caused by component tolerances.

During drive manufacture, the positioning deviations of the actuator are identified by special measurement techniques and confirmed by laser. DRI, Hawthorne Road, Staines, Middlesex, Staines 51388.

MADE FROM galvanized steel and Treva's high tenacity polyester fabric, a range of industrial folding silos has been developed in Germany.

Called Totake, the range can be erected by a small crew within 16 hours without the use of specialised lifting equipment. When dismantled, the silos can be transported on standard flat-bed lorries.

The polyester fabric body is PVC coated, and spirally welded to produce almost horizontal seams for maximum strength. The silo bag is supported within a collapsible tubular steel frame-work. A mild steel cone outlet at the base is polyester lined.

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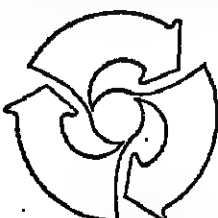
SHORT OF WAREHOUSE SPACE?

A Barracuda Airdome gives Storage Space where you want it anywhere in the world in next to no time. Write or ring for a brochure:-
Cherwell Valley Silos Limited, Barracuda Division, Twyford, Banbury, Oxfordshire, OX17 3AA
Telephone: Kings Sutton (029 574) 441



Waste disposal can be a way of saving money if you take advantage of the unique service offered by the UK Waste Materials Exchange.

It is bad economics to pay for your waste to be dumped when someone else may be able to use it. Equally, it is bad economics to buy expensive raw materials when another firm's waste could provide a cheap alternative. The Waste Materials Exchange's quarterly bulletin lists materials available and wanted. Participants are put in touch with one another by the Exchange, whenever an entry stimulates a response. Participation in the Exchange is entirely free and the service is fully confidential.



UK Waste Materials Exchange

The Exchange Bulletin has grown more than six-fold since its first issue a year ago. More and more firms realise that the Exchange provides a solution to the economic and environmental problems created by waste disposal. See how it can help you by telephoning Alan Poll at Stevenage (0438) 3388 or sending the coupon.

Return to:
U.K. Waste Materials Exchange,
P.O. Box 51,
Stevenage,
Hertfordshire SG1 2DT.

Name _____
Official Position _____
Company _____
Address _____

FT6

Stone-Platt Industries

Leading manufacturers of textile machinery, pumps and valves for the power, oil and water industries, marine engineering and electrical products.

Further significant increase in sales and profits.

From the 1975 Report

Sales of £159m were 42% higher than in 1974.

Profit before taxation up by 39%.

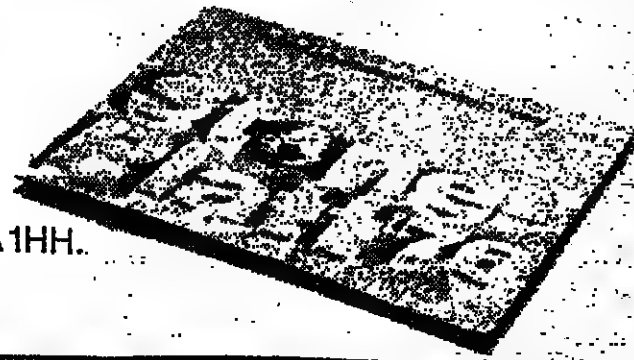
Return on capital employed of over 25%.

Exports from the UK at £66.6m represented

66% of UK output. Total sales overseas £125m.

	1971	1972	1973	1974	1975
Net sales	£60m	£63m	£82m	£111m	£159m
Profit before taxation	£3.6m	£4.7m	£7.0m	£8.0m	£11.1m
Pre-tax earnings per share	10.6p	13.7p	20.4p	24.1p	31.7p
After-tax earnings per share	6.2p	8.9p	11.7p	16.1p	17.8p
Dividend per share (gross)	3.25p	3.40p	3.66p	4.11p	4.52p
Return on capital employed	12.5%	15.8%	19.1%	20.7%	25.5%

For 1975 accounts and illustrated brochure apply to: The Secretary, Stone-Platt Industries Ltd, 25 St James's Street, London SW1A 1HH.



LABOUR NEWS

Dock Bill Skilled men warn Ford of strike in 3 weeks

Attack by Tories on GLC

BY CHRISTIAN TYLER, LABOUR STAFF

Our Labour Staff

Attack on the dock labour and on Government is to extend it will be today by the Conservative opposition to the Greater London Council.

Conservatives have put down a motion for today's meeting because the GLC seek to pay £10,000 a year to the labour cost of five men employed by a barge which transports waste.

Company Cory Lighterage, Ltd. GLC because it has increased its charges. According to the GLC, the cost of the barge is £10,000 a year.

The decision came from delegates of the Ford national

FORD MOTOR'S new model programme is again threatened after the decision by unofficial leaders of skilled car-workers yesterday to recommend all-out strike action in three weeks unless their demands for more influence on wage bargaining were met.

The skilled men's grievances about erosion of pay differentials with production workers have already led to one bout of industrial action. Yesterday delegates from 18 of Ford's 22 British plants decided to step up sanctions if necessary.

Apart from delaying the launch of Ford's new cars, such action could lead eventually to thousands of workers being laid off.

The decision came from delegates of the Ford national

skilled committee, which claims to represent about half of the company's 9,000 skilled men.

Last week members of the trade-union side of Ford's national London to draw up proposals aimed at placating the skilled men. The men complain that wage policy is dominated by unskilled men and has led to narrowing of their differentials.

This is similar to the situation in British Leyland where toolmakers are fighting for pay rises to maintain traditional differentials.

Ford has a central bargaining unit of the kind British Leyland would like to see, but the skilled men's complaints have threatened to split the

national negotiating committee.

Union officials and the company are proposing to expand the national committee to give more places to lay members and make room for skilled men's representatives.

The company told the skilled men yesterday that if the unions could not find a solution by September, they would draw one up themselves.

Mr. Paul Capps, a leader of the unofficial skilled committee, said that the structure of the national committee was not in dispute. His members wanted skilled men's conveners at each plant alongside the plant conveners to counter-balance the unskilled men's when the national committee was deciding on wage claims.

Non-co-operation threat to ICI after recognition of union

BY DAVID CHURCHILL, LABOUR STAFF

Industrial relations at ICI are in jeopardy after the company's decision yesterday to grant bargaining rights for about 9,000 senior managerial and professional staff to the Association of Professional Scientists and Technologists, a non-UCI affiliated union.

Unions representing ICI's manual labour force repeated their warning to the company that they would not co-operate in any way with APST members. This was in line with a TUC circular in December asking member unions to oppose non-affiliated unions trying to recruit non-unionised professional and other senior staff.

Mr. John Miller, a national officer of the Transport and General Workers' Union, one of the eight manual unions involved at ICI, said last night that their policy of non-co-operation would include a refusal by shop-floor

workers to take orders from management who were members of APST.

The manual unions would sit on any committees to which APST also claimed representation, he said.

APST's recognition by ICI, which came after a ballot of staff involved, who voted four to one in favour of representation by APST, was also being challenged by the Association of Scientific, Technical and Managerial Staff.

ASTMS claims to represent some 2,000 of the senior staff but was not allowed to hold a recognition ballot because it did not produce audited figures of membership in time.

ASTMS, which recently received its certificate of independence from the Certification Officer, has lodged a claim for recognition under section 11 of the new Employment Protection Act.

This allows the Advisory, Conciliation and Arbitration Service to investigate the situation and to make a "recommendation" as to which union should be given recognition, with the proviso that it should be a certified independent union. APST's application for a certificate is still being considered by the certification officer.

The agreement signed yesterday between ICI and APST covers salary negotiations for the senior staff and also establishes an extensive procedure for avoiding industrial action.

APST said yesterday that it would go ahead with plans to discuss working conditions with the company despite the opposition from the manual unions. Among the first questions it would discuss would be the question of "salary restraint" in view of the Government's incomes policy.

Companies invassad n role unions

John Elliott, Management

GOVERNMENT is making a survey of about 800 companies to discover their practices and to see how they are involved in company decisions. The survey is being carried out by the Government's Office of Population and Surveys.

The survey is being carried out by the Government's Office of Population and Surveys.

AUEW postal ballot focuses on future of top Left-winger

BY OUR LABOUR CORRESPONDENT

MR. BOB WRIGHT, the Left-winger who is due to leave the executive of the Amalgamated Union of Engineering Workers in September as the result of an election, defeat last year, will have to wait a week or two before he knows whether he has been successful in his bid for the post of AUEW assistant general secretary.

Postal voting ended yesterday for about 34 AUEW posts ranging from executive members for the North-West to district secretaries for areas as wide as the Cheshire-Southeast and Fife.

When the results are announced, the main interest will centre on the future of Mr. Wright who, with almost 20 years' experience as a full-time official, is one of the AUEW's best-known and respected negotiators.

In recent years he has emerged as one of the trade union movements leading motor industry spokesmen and has been much involved in the Government rescue of British Leyland and Chrysler.

After being defeated last year

by the relatively unknown Mr. Terry Duffy for the executive post for the key West Midlands and Manchester area, Mr. Wright decided to contest the assistant general secretary election.

In this fight, which may well be his last real opportunity of retaining a national AUEW position, he has been challenged by moderate Mr. John Weakley, who successfully took the union to the High Court last year when Left-wingers sought to abandon postal balloting.

Moderates have already won a majority on the seven-man executive of the AUEW engineering section and the pending results will merely indicate which of two moderates—Mr. Harry Banks or Mr. Gerry Russell—succeeded Right-winger Mr. Arthur Hearsey as executive man for the North West.

GEC strike may end to-morrow

By Our Labour Staff

ABOUT 350 workers at a North London subsidiary of GEC who have been on strike for 11 weeks are expected to return to work to-morrow, pending further negotiations between union representatives and management on the issue of a shop steward dismissed for carrying out union business in company time.

Shop stewards from the technical and supervisory section (TASS) of the Amalgamated Union of Engineering Workers and eight other unions involved in industrial-fan manufacturers Keith Blackman are meeting this morning to discuss the return to work, agreed at a mass meeting last Friday.

The breakthrough in the dispute, which began in early January, came after talks last week between both sides under the auspices of the Advisory, Conciliation and Arbitration Service.

The strikers are believed to have agreed to return to work after a compromise solution worked out at last week's talks, which secured the position of the dismissed shop steward in the immediate future.

His dismissal was seen by the TASS officials as setting a precedent of a ban on payments of Employment Protection Act does not clarify the position of union officials carrying out official business at different companies.

Under the Act, members of independent unions are allowed "reasonable" time off to attend to union business, but it does not specify whether this covers branch union meetings or other activities.

Consequently, ACAS is expected to issue a Code of Practice on the issue soon.

UNION LEADERS of the 5,000 workers at the Hawker Siddeley aviation plant at Brough North Humberside said yesterday that they were to campaign for the headquarters of the new nationalised aviation industry to be established at Hull.

Mr. Bill Ashton, the factory works convenor, said that the already had the office space required and the work force available.

They were also planning a lobby campaign for re-consideration of the HS146, the only civil aviation project under development in Britain, and for another order for Buccaneers, which are built entirely at the Brough plant.

Notice of Redemption

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

6 3/4% Sinking Fund Debentures due November 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on May 1, 1976 at the principal amount thereof \$252,000 principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH

amount of said Delinquents															
40	896	1241	2904	4159	5789	7296	7627	12323	12149	12074	14879	17232	18416	19016	19462
54	904	1242	2905	4160	5790	7300	7628	12324	12150	12075	14880	17233	18417	19017	19463
68	912	1243	2906	4161	5791	7301	7629	12325	12151	12076	14881	17234	18418	19018	19464
82	920	1244	2907	4162	5792	7302	7630	12326	12152	12077	14882	17235	18419	19019	19465
96	928	1245	2908	4163	5793	7303	7631	12327	12153	12078	14883	17236	18420	19020	19466
110	936	1246	2909	4164	5794	7304	7632	12328	12154	12079	14884	17237	18421	19021	19467
124	944	1247	2910	4165	5795	7305	7633	12329	12155	12080	14885	17238	18422	19022	19468
138	952	1248	2911	4166	5796	7306	7634	12330	12156	12081	14886	17239	18423	19023	19469
152	960	1249	2912	4167	5797	7307	7635	12331	12157	12082	14887	17240	18424	19024	19470
166	968	1250	2913	4168	5798	7308	7636	12332	12158	12083	14888	17241	18425	19025	19471
180	976	1251	2914	4169	5799	7309	7637	12333	12159	12084	14889	17242	18426	19026	19472
194	984	1252	2915	4170	5800	7310	7638	12334	12160	12085	14890	17243	18427	19027	19473
208	992	1253	2916	4171	5801	7311	7639	12335	12161	12086	14891	17244	18428	19028	19474
222	1000	1254	2917	4172	5802	7312	7640	12336	12162	12087	14892	17245	18429	19029	19475
236	1008	1255	2918	4173	5803	7313	7641	12337	12163	12088	14893	17246	18430	19030	19476
250	1016	1256	2919	4174	5804	7314	7642	12338	12164	12089	14894	17247	18431	19031	19477
264	1024	1257	2920	4175	5805	7315	7643	12339	12165	12090	14895	17248	18432	19032	19478
278	1032	1258	2921	4176	5806	7316	7644	12340	12166	12091	14896	17249	18433	19033	19479
292	1040	1259	2922	4177	5807	7317	7645	12341	12167	12092	14897	17250	18434	19034	19480
306	1048	1260	2923	4178	5808	7318	7646	12342	12168	12093	14898	17251	18435	19035	19481
320	1056	1261	2924	4179	5809	7319	7647	12343	12169	12094	14899	17252	18436	19036	19482
334	1064	1262	2925	4180	5810	7320	7648	12344	12170	12095	14900	17253	18437	19037	19483
348	1072	1263	2926	4181	5811	7321	7649	12345	12171	12096	14901	17254	18438	19038	19484
362	1080	1264	2927	4182	5812	7322	7650	12346	12172	12097	14902	17255	18439	19039	19485
376	1088	1265	2928	4183	5813	7323	7651	12347	12173	12098	14903	17256	18440	19040	19486
390	1096	1266	2929	4184	5814	7324	7652	12348	12174	12099	14904	17257	18441	19041	19487
404	1104	1267	2930	4185	5815	7325	7653	12349	12175	12100	14905	17258	18442	19042	19488
418	1112	1268	2931	4186	5816	7326	7654	12350	12176	12101	14906	17259	18443	19043	19489
432	1120	1269	2932	4187	5817	7327	7655	12351	12177	12102	14907	17260	18444	19044	19490
446	1128	1270	2933	4188	5818	7328	7656	12352	12178	12103	14908	17261	18445	19045	19491
460	1136	1271	2934	4189	5819	7329	7657	12353	12179	12104	14909	17262	18446	19046	19492
474	1144	1272	2935	4190	5820	7330	7658	12354	12180	12105	14910	17263	18447	19047	19493
488	1152	1273	2936	4191	5821	7331	7659	12355	12181	12106	14911	17264	18448	19048	19494
502	1160	1274	2937	4192	5822	7332	7660	12356	12182	12107	14912	17265	18449	19049	19495
516	1168	1275	2938	4193	5823	7333	7661	12357	12183	12108	14913	17266	18450	19050	19496
530	1176	1276	2939	4194	5824	7334	7662	12358	12184	12109	14914	17267	18451	19051	19497
544	1184	1277	2940	4195	5825	7335	7663	12359	12185	12110	14915	17268	18452	19052	19498
558	1192	1278	2941	4196	5826	7336	7664	12360	12186	12111	14916	17269	18453	19053	19499
572	1200	1279	2942	4197	5827	7337	7665	12361	12187	12112	14917	17270	18454	19054	19500
586	1208	1280	2943	4198	5828	7338	7666	12362	12188	12113	14918	17271	18455	19055	19501
600	1216	1281	2944	4199	5829	7339	7667	12363	12189	12114	14919	17272	18456	19056	19502
614	1224	1282	2945	4200	5830	7340	7668	12364	12190	12115	14920	17273	18457	19057	19503
628	1232	1283	2946	4201	5831	7341	7669	12365	12191	12116	14921	17274	18458	19058	19504
642	1240	1284	2947	4202	5832	7342	7670	12366	12192	12117	14922	17275	18459	19059	19505
656	1248	1285	2948	4203	5833	7343	7671	12367	12193	12118	14923	17276	18460	19060	19506
670	1256	1286	2949	4204	5834	7344	7672	12368	12194	12119	14924	17277	18461	19061	19507
684	1264	1287	2950	4205	5835	7345	7673	12369	12195	12120	14925	17278	18462	19062	19508
698	1272	1288	2951	4206	5836	7346	7674	12370	12196	12121	14926	17279	18463	19063	19509
712	1280	1289	2952	4207	5837	7347	7675	12371	12197	12122	14927	17280	18464	19064	19510
726	1288	1290	2953	4208	5838	7348	7676	12372	12198	12123	14928	17281	18465	19065	19511
740	1296	1291	2954	4209	5839	7349	7677	12373	12199	12124	14929	17282	18466	19066	19512
754	1304	1292	2955	4210	5840	7350	7678	12374	12200	12125	14930	17283	18467	19067	19513
768	1312	1293	2956	4211	5841	7351	7679	12375	12201	12126	14931	17284	18468	19068	19514
782	1320	1294	2957	4212	5842	7352	7680	12376	12202	12127	14932	17285	18469	19069	19515
796	1328	1295	2958	4213	5843	7353	7681	12377	12203	12128	14933	17286	18470	19070	19516
810	1336	1296	2959	4214	5844	7354	7682	12378	12204	12129	14934	17287	18471	19071	19517
824	1344	1297	2960	4215	5845	7355	7683	12379	12205	12130	14935	17288	18472	19072	19518
838	1352	1298	2961	4216	5846	7356	7684	12380	12206	12131	14936	17289	18473	19073	19519
852	1360	1299	2962	4217	5847	7357	7685	12381	12207	12132	14937	17290	18474	19074	19520
866	1368	1300	2963	4218	5848	7358	7686	12382	12208	12133	14938	17291	18475	19075	19521
880	1376	1301	2964	4219	5849	7359	7687	12383	12209	12134	14939	17292	18476	19076	19522
894	1384	1302	2965	4220	5850	7360	7688	12384	12210	12135	14940	17293	18477	19077	19523
908	1392	1303	2966	4221	5851	7361	7689	12385	12211	12136	14941	17294	18478	19078	19524
922	1400	1304	2967	4222	5852	7362	7690	12386	12212	12137	14942	17295	18479	19079	19525
936	1408	1305	2968	4223	5853	7363	7691	12387	12213	12138	14943	17296	18480	19080	19526
950	1416	1306	2969	4224	5854	7364	7692	12388	12214	12139	14944	17297	18481	19081	19527
964	1424	1307	2970	4225	5855	7365	7693	12389	12215	12140	14945	17298	18482	19082	19528
978	1432	1308	2971	4226	5856	7366	7694	12390	12216	12141	14946	17299	18483	19083	19529
992	1440	1309	2972	4227	5857	7367	7695	12391	12217	12142	14947	17300	18484	19084	19530
1006	1448	1310	2973	4228	5858	7368	7696	12392	12218	12143	14948	17301	18485	19085	19531
1020	1456	1311	2974	4229	5859	7369	7697	12393	12219	12144	14949	17302	18486	19086	19532
1034	1464	1312	2975	4230	5860	7370	7698	12394	12220	12145	14950	17303	18487	19087	19533
1048	1472	1313	2976	4231	5861	7371	7699	12395	12221	12146	14951	17304	18488	19088	19534
1062	1480	1314	2977	4232	5862	7372	7700	12396	12222	12147	14952	17305	18489	19089	19535
1076	1488	1315	2978	4233	5863	7373	7701	12397	12223	12148	14953	17306	18490	19090	19536
1090	1496	1316	2979	4234	5864	7374	7702	12398	12224	12149	14954	17307	18491	19091	19537
1104	1504	1317	2980	4235	5865	7375	7703	12399	12225	12150	14955	17308	18492	19092	19538
1118	1512	1318	2981	4236	5866	7376	7704	12400	12226	12151	14956	17309	18493	19093	19539
1132	1520	1319	2982	4237	5867	7377	7705	12401	12227	12152	14957	17310	18494	19094	19540
1146	1528	1320	2983	4238	5868	7378	7706	12402	12228	12153	14958	17311			

FINANCIAL TIMES SURVEY

Tuesday March 30 1976

Vehicle Leasing and Finance

Inflation and increased working capital needs have put pressure on corporate cash resources. This has led to favourable trading conditions for the vehicle leasing and contract hire companies. Last year was a good one for them, and 1976 promises to be even better.

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IE CONDITIONS com- have had to endure the past two or years it is hardly ing that the large operating fleets of motor ve become more recep- the overtures of the leas- companies. The facts speak for themselves. For example, a company that has been buying its fleet outright in its cars every year has had a nasty shock from new car prices— they have risen by over 20 per cent. It was estimated that over the twelve months the cost of a car has risen by 27 per cent. The value of a 1972 fleet, the same period, had risen by 10 per cent.

s companies that have emptied to hold on to us for a little longer are postponing the evil day, with time new car prices are rising will further and the value of the existing fleet have continued to rise. But probably more so, the company will face up to the greater vehicle repairs, repair leasing is provided from a number of sources, though the large



The rising price of vehicles, especially in the bigger ranges, has encouraged hire and leasing. Growing sophistication of equipment is an added factor—the Scania truck above is fitted with many extras for long-distance tropical journeys.

and heavier consumption of oil and petrol. The circle is clearly a vicious one, since the need for additional working capital is almost certainly as acute in other areas of any company—stocks, the financing of orders, etc. The contract hire/leasing package can therefore be seen as something of a saviour in these circumstances, since it means that valuable cash is not tied up and can be released into other and needier areas. At to-day's prices it is estimated that an average fleet consisting of 125 vehicles would add up to a capital cost of £250,000.

Vehicle contract hire and leasing is provided from a number of sources, though the large finance houses are prominent. Probably the largest is Dial Contracts, a subsidiary of Mercantile Credit, which has 8,000 cars under its wing. UDT is also well represented, as is Lombard North Central (a subsidiary of NatWest Bank).

There are some differences between the groups mentioned, and the main one is that Lombard is a finance house pure and simple whereas UDT and Mercantile are garage proprietors and retailers of motor cars in their own right. They are not, however, linked directly with any one manufacturer. Dial, for example, has roughly 37 per cent. of its fleet with British Leyland, 34 per cent. with Ford and around a quarter with Chrysler.

to be earning in the region of £500,000—possibly £600,000 in 1976. Needless to say the competition is fierce. The difference almost certainly lies in service. There is no way that the large leasing company can compete with the small almost "one-off" type of operation of the smaller local garage. However in this instance there is likely to be a small variation in price. There is the possibility that the major manufacturers may move into the leasing/contract hire business in their own right. This has happened in the Continent and France's Renault, for example, has a fleet of vehicles numbering no less than 100,000.

Attractive

If manufacturers really enter the contract hire business, clearly there could be a threat to the middle-man. And if retail sales are difficult to stimulate then leasing out cars direct to customers would certainly be an attractive proposition. However, most leasing companies would argue that to administer leasing business through a widespread network of franchise garages would indeed be a task. It is, therefore, far more likely that manufacturers will force direct links with finance companies. In this regard, Lombard North Central has recently linked up with British Leyland. For Lombard, the attraction is the opportunity to sell the scheme through 8,000 or so garages of assorted shapes and sizes, throughout the country. The link is purely at arm's length; that is, the motor manufacturer sticks to his job and the finance company provides the cash.

Keith Lewis

Discount

One advantage the potential lessee cannot afford to ignore is the discount that the lessor is normally able to negotiate. This would almost certainly be greater than that negotiated by a company on its own with a motor group. On a set example, a company could seek to buy and negotiate its own trade-in and purchase on, say, a Cortina. Assuming that the company could negotiate a discount of 12½ per cent., it is likely that the large hiring company could fare rather better—with a discount of up to 18 per cent.—purely on the basis of buying muscle. The difference in capital cost in such a case would probably amount to something like £65 and the difference in rental terms would be of the order of £2 per month over a two-year lease.

Apart from not having capital tied up in motor cars, the other main attraction is that most groups offer to incorporate maintenance into the contract. In other words, it is possible for a company to lease motor cars without having the full and dubious privilege of ownership.

There are a number of variations on the contract hire/lease theme, and it is probably fair to say that one discernible trend has been the movement

towards tailoring a contract to suit a company's individual requirements—not just take it or leave it. Some organisations have strong loyalties with garages and prefer to conduct their own trade-in and purchase. In these circumstances the lessee can go ahead in the same way as if he owned the car and the lessor steps in to pick up the bill at that point. Contract hire, on the other hand, is where the lessor actually orders and supplies the vehicle, and adds in maintenance, road fund licence, etc., where required.

In the United Dominions Trust brochure it describes leasing as follows: "Leasing is a means of obtaining the use of capital assets for all, or at least a major portion, of their useful working life by paying agreed sums of money over a fixed period of time. At no time may title to the assets pass to the user, although some benefit from the eventual sale of the goods to a third party may be passed to him." This description applies to all assets that may be leased—not just vehicles. The question of passing ownership of title requires further explanation. It is possible with some leasing companies to benefit at the end of the day if the actual residual price exceeds the estimated residual price at the outset of the contract. This can never be achieved in a straightforward way and the method used is for a subsidiary of the lessee to act as selling agent to the lessor. In that way, whatever benefit there is passes to the associate or subsidiary which then, naturally, passes that on to the parent or lessee. Another method is for the benefit to be adjusted into the next period's rental terms in the form of lower payments. The passing back of benefits on residual prices is not practised by all leasing companies, and there are some in the industry who feel that there may be a legal stop put to this in either this, or a subsequent Budget.



Offloading a four-ton machine tool at Dijon, France, after transport by Vanguard Engineering, which specialises in the movement of heavy machinery throughout Europe.

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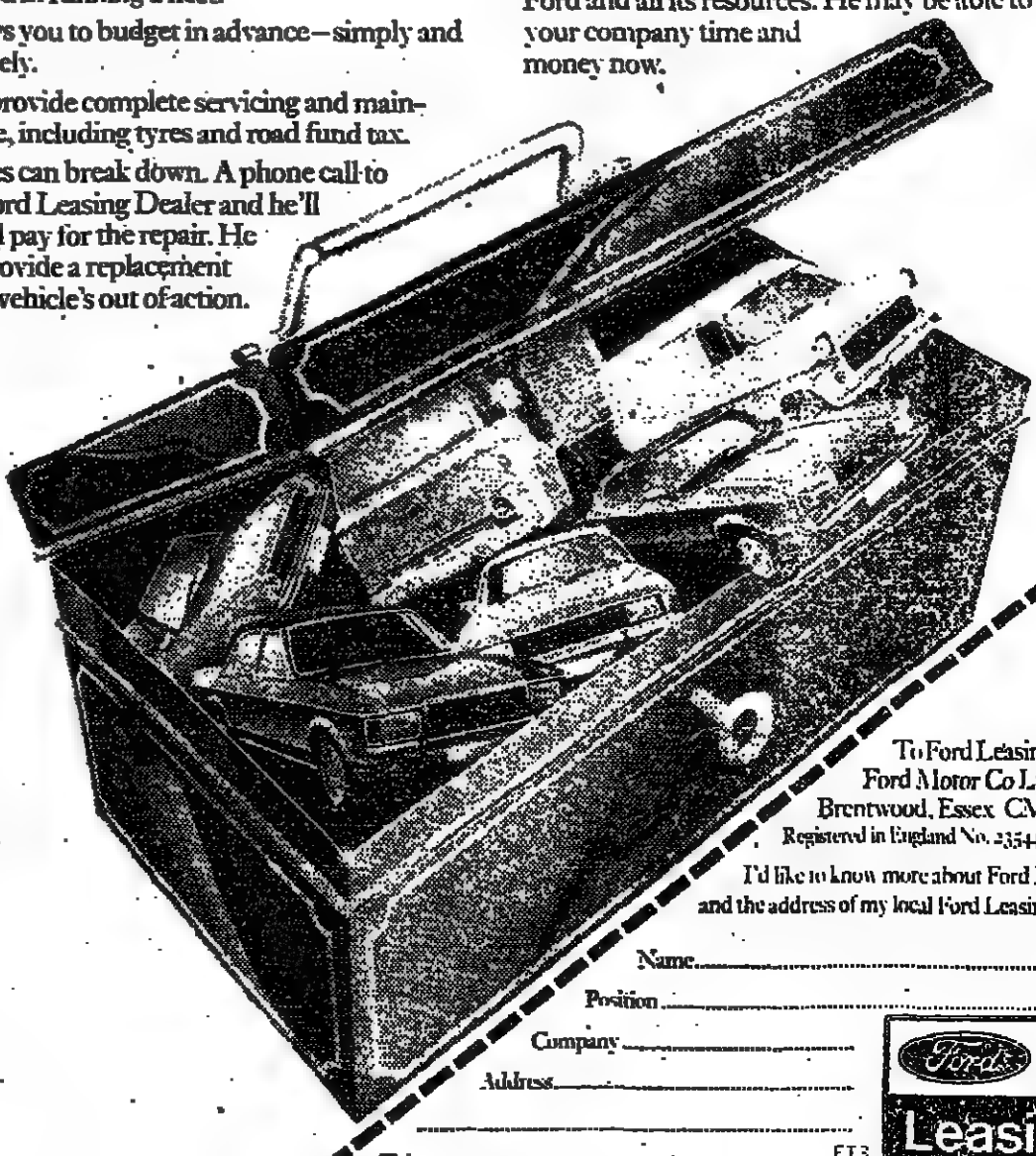
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VEHICLE LEASING AND FINANCE II

The advantages of leasing

DISTRIBUTION costs in U.K. manufacturing account for anything between 16 and 22 per cent. of sales and have probably doubled in the past decade. This places an obvious premium on the efficient use of transport facilities, an area not traditionally viewed as a major cost centre in industry. In addition, the recent sharp rise in new vehicle prices, both of commercial vehicles and car fleets, together with in some cases an almost total squeeze on corporate cash flows in 1974/75, has prompted companies to take a closer look at their transport requirements and the way they should be financed.

Financial pressures have clearly altered the balance between purchase and hire as a method of vehicle acquisition. Purchase on the one hand covers outright purchase, hire purchase and guaranteed repurchase schemes, while the hire alternatives are basically those of contract hire and leasing. The most straightforward way of comparing the alternatives is on a present value basis. Thus the present value of the HP deposit and repayments less

capital and interest allowances and the estimated residual value of the vehicle can be set against that of the initial leasing downpayment and subsequent monthly payments less tax relief, taking into account the timing of allowances and reliefs.

At the moment, HP repayments require a one-third deposit and a repayment schedule of 2 years. For leasing, the Control of Hiring Orders of December, 1973, demands a down-payment of 10 months leasing payments but supporters of vehicle hire point to the fact that no further payments are required until the eleventh month, thus providing relatively high savings on cash flow. With leasing, however, you do not necessarily receive any benefit from the residual value of the vehicle and this is an offsetting factor. But the timing of tax allowances, cash flows and profits is really only part of the assessment procedure. Capital considerations are a prime importance.

A large company may, for example, have access to low cost funds but for a small company, whose cost of capital may be high, hiring is an important source of very competitive

additional funds, thanks to the economies of scale generated by finance companies. In addition, a hiring contract is the equivalent of a medium-term loan, secured on the vehicle, allowing a "hidden gearing" without the need to create extra charges on existing assets. At the same time capital is released and can be diverted to other and rapidly expanding parts of the business.

Capture

As for the discounts normally associated with outright purchase, the small company can capture these, again through the medium of the finance company, providing, of course, that the hirer does not take such savings into cost and profit. The revenue aspects of repayment are clearly important, and in this respect, tax rebates on purchase can vary, while hire payments are a business expense.

There are two main forms of vehicle hire. The first, leasing, is regarded as a purely financial arrangement and the second, contract hire, is a different animal, involving provisions for

servicing and replacement of vehicles. In its most basic form, leasing is an arrangement where the lessor, usually a finance company, leases the vehicle in question to the lessee at a predetermined rate. At no time does the lessor lose title to the vehicle and when the contract is terminated, the lessee returns the vehicle to the lessor.

In practice considerable variations exist. Under "open-ended" leasing, for instance, a fixed minimum period, beyond which the operator may buy the vehicle at a predetermined price. In some agreements, the lessee may participate, where, for example, a vehicle has been written off over a primary period, and the fleet owner continues to pay a peppercorn rental over the secondary period. While it is illegal, in the "open-ended" leasing case, for the lessee to purchase at a predetermined value, an associated

company can act on the lessee's behalf, selling as an agent of the finance company, thus avoiding the problem—as with commercial vehicles—of a status as observed.

A "closed end" lease is the same as contract hire, without maintenance. Under contract hire, the fleet owner acquires the vehicle, again for a predetermined rate and period, but including maintenance, tyres, road fund tax and a replacement vehicle should the original be off the road for 48 hours. Another form of lease contract, sometimes called a depreciation lease and going under names like "Unilease" (UDL) and a Wheellease (Lombard North Central) are really arrangements in another name. One of the major changes in the leasing market in the past few years has been the introduction of "packages", largely at the instigation of subsidiaries of American parents. Ford, for example, has a "Credit Hire" package, while Vauxhall's "Master Hire" and Chrysler's "2-year service contract" are examples of this trend. This trend, essentially driving off fleet

management, is likely to continue, and the provision of maintenance, replacements tax and insurance (and even drivers with commercial vehicles) increases the element of service relative to purely financial considerations. British Road Services, the largest organisation in total package transport, has seen a very sharp rise in demand for Contract Hire Services, including a doubling of trucks in the early seventies.

Lucrative

Another major development has been the speed with which dealers have moved into an area previously dominated by the finance houses. Apart from the movement in used car prices, which makes hiring a lucrative area of business (average profits on contract hire are said to be running at over £500 per car, on average, which is well above potential retail profits), dealers can provide net rate leasing (as in the case of Ferrys, Ford main dealers) through their ability to make use of 100 per cent. write-down allowances—a privilege that finance houses in their recent straits, have had to forgo. While this allowance has always been granted on commercial vehicles, as a capital item, last summer saw Godfrey Davis and Ford Motor Credit win a case against the Inland Revenue, which extended the allowance to car contract hire.

Leasing is still very much in its infancy, but the recent turn of events in the economy has emphasised the advantages of hire-based methods of acquisition. This has been enhanced by the development of hiring contracts of great flexibility, most of which can be tailored to the needs of the individual company. Of course every method has its drawbacks, but the industry believes that its most general point, that is that use rather than ownership of a depreciating asset is what counts for profitability, will gain considerable attention in the near future.

Terry Wilkinson

Backing up the export trade

THE VOLUME of vehicle exports from this country fell during 1975. The teams of salesmen employed by the motor trade had sterling on their side last year—and against the dollar the pound has now depreciated by close on a fifth since last May—but the world industrial recession has had a predictable impact on demand, and price inflation at home has continued to eat into Britain's competitive position in overseas markets.

The upshot was a decline of nearly a tenth for new car exports last year, though the setback in the commercial vehicle market was less marked with unit number sold abroad falling by around 5 per cent., according to figures released by the Society of Motor Manufacturers and Traders.

Last year the number of new cars sold overseas totalled 516,000 in round thousands, against 565,000 in 1974; commercial vehicles exported amounted to 156,000, against 180,000, in terms of cash value the export figures were £483m. (£418m.) and £297m. (£250m.) for new cars and commercial vehicles respectively.

But if the salesmen in the motor industry had their problems last year these were perhaps of limited significance compared to the difficulties experienced by those whose job it is to arrange export financing. Price inflation, currency swings and the increasing danger of bad debts against a recessionary business background were just a fraction of what the vehicle financiers had to face up to in 1975.

Nevertheless, the basic structure of vehicle finance has remained unchanged over the past 12 months or so. A little less credit may have been extended in certain cases, terms have been tightened up here and there and the ever watchful eye of the creditor has been just a bit more vigilant. But business is business, and the "two-way trade" that is so important to this country has been kept ticking over largely unmoored. For the motor trade, its three distinct categories of vehicle operate from a differing financing base.

For cars the maximum period of credit is still around 12 months generally speaking. This continues to be implemented through a distributor's network of sales branches, sub-distributors and dealers. The major difficulty for the dealer lies with a lack of assets on which credit can be extended—and in order for a motor dealer to finance his trade he needs to have something to pledge.

Those involved with solving this problem normally look first for security in the vehicles themselves, followed by a charge on the receivables. These may be promissory notes held in a trustee bank, or some form of paper to cover any default. Many motor manufacturers have found that it is better to help the distributor to raise his credit locally, perhaps via an overdraft or by means of hire purchase.

One constantly changing feature of car exporting is the amount of actual assembly now undertaken overseas (as a pointer to this some 8,000 commercial vehicle chassis worth over £24m. were exported last year). Assemblers tend to require rather longer credit financing given the need to send parts overseas long before a vehicle is completed.

As for commercial vehicles, these tend not to be sold through distributors but mostly to end-users. Credit terms are normally extended for up to five years, although for substantial contracts—around the £5m. mark, for example—the period might well be shorter. These days the commercial vehicle makers may well have to deal through co-operatives of owner drivers. Here, the co-operative buys the vehicle and takes a percentage of the revenue earned from it. A drawback in this method of financing is that co-operatives seldom have assets substantial enough to negotiate credit. For example, in a co-operative of drivers working mixer trucks it is extremely hard to judge the life of vehicles and how to secure guarantees. One of the more obvious methods used these days is to take a charge on all revenues paid into the co-operative's bank account.

In the field of public service vehicle exports—which last year was worth just over £44m. to this country—there is a sector agreement among credit insurers limiting repayments to five years. Naturally enough, the pressure from customers for an extension of these levels of credit are constant; but the notoriously bad profits records among public service operations all over the world will have to be improved significantly before current credit rulings can be revised.

The general approach has been for credit suppliers in this

field to seek a charge on future revenues, and on the actual vehicles. But the difficulty is repossessing a fleet of buses from a foreign country can be a near-impossible task. Moreover, when a vehicle is built with, say, a U.K. chassis and engine, credit charges can become a nightmare.

For the most part, it is the Export Credits Guarantee Department that has the problem of unravelling such snags. The ECDD assists exporters of both goods and services in two basic ways—against not being paid and in finding the required amount of credit security.

The ECDD, which is Government-controlled and which works in conjunction with the major clearing banks, is able to insure against bad debt whether through default of the customer or other causes—restrictions on transfer of currency, for example, or the cancellation of a valid import licence. At the same time, the Department is able to furnish unconditional guarantees of 100 per cent. repayment to lending banks on which security exporters are provided with the necessary finance.

By progressively widening its insurance in terms of both risks covered and the percentage of losses repaid, the ECDD has made credit insurance an attractive proposition to the exporter. And because trading patterns in export markets have changed dramatically in the last 30 years this is just as well.

Before the war, industry in this country lived mostly off a sellers' market in and around the present Commonwealth; today such trading conditions have largely reversed themselves into a buyers' market, and at a time when terms of export payment have steadily moved from cash in credit—and often to long-term credit at that. This has meant that exporters—and the motor trade is one of this country's biggest export winners—have their overseas accounts at risk for longer periods these days, thus obliging them to have ever-larger amounts of money outstanding.

Jeffrey Brown

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The private buyer

AFTER the purchase of a home, for many families buying a new car represents the most expensive single asset they will acquire. As new car prices have shot up over the past couple of years—dragging used car prices in their wake—the potential buyer must not only closely examine that the car he wants fits his needs, but also that he is financing his purchase in the most appropriate way.

As legislation stands at present, HP controls on car purchases still require that the buyer put down at least one third of the purchase price, with the balance to be paid before the end of two years. Many other loan controls were relaxed in the Government's mini-budget last December, and some motor dealers and manufacturers may be hopeful of an easing in controls in next month's spring Budget. But in the meantime a buyer will have to work within existing legislation.

Before taking a look at the financing arrangements possible, it is worth shopping around to see what the dealers have on offer. Some were offering very competitive rates when the manufacturers moved into setting up loan agreements in order to boost flagging car sales. In addition, it is worth taking into account what the dealer's salesman is offering in his "financial package." It is possible to arrange loans through the most reputable dealers, and though these may appear ex-

pensive when looking at interest rates, it may be that the dealer is offering a higher trade-in value on the customer's used car, or a greater discount on the new vehicle, if a loan is arranged through him. Still, the prospective buyer has basically two choices: to arrange a loan or overdraft from a bank or by various routes through a finance house. Understandably, interest rates charged vary from source to source, but broadly speaking those charged by banks fall into a fairly narrow range, while those charged by finance houses, though higher, tend to be in the same area as each other for reasons of competition.

Overdraft

On straight financial grounds a clearing bank is the first line of approach. Covering a car purchase by way of an overdraft could be the best way to go about it, because interest is charged only on the outstanding balance and at a rate of say 3 to 5 per cent. above the base rate, which is currently 9½ per cent. But most banks are reluctant to offer such an overdraft facility for a car purchase, as from past experience the overdraft can drag on, and is not cleared in as quick a way as the discipline of a personal loan makes for. The disadvantage of an overdraft for the customer is that he is left open to fluctuat-

ing interest rates, unlike a loan where the monthly repayments are fixed from the outset.

For personal loans the interest charged by the four clearing banks have a close relationship. Both Midland and Lloyds charge a flat rate of 9 per cent., which on a "true" rate of interest over two years is equal to 17.72 per cent. NatWest just pips them at the post with a flat rate interest charge of 8½ per cent., which on a loan over a two-year period is a true rate of 18.71 per cent. Meanwhile a "Barclay-loan" comes out a bit dearer with a true rate of interest of 19.56 per cent. over two years. But then no security is essential for a "Barclayloan," which, understandably, makes interest that shade higher.

It may be possible to negotiate a loan through a clearing bank, with a flexible rate of interest similar to an overdraft, but with a fixed repayment period and monthly instalments. The interest rate would be something like 2 to 5 per cent. over the base rate, meaning, at present, 11½ per cent. to 14½ per cent., depending on the credit rating of the customer. However, loans on this basis from most banks are probably few and far between.

There may be various "sweeteners" offered by the clearer, such as the free life assurance that goes with a personal loan with Lloyds up to the age of 60, to cover the outstanding loan balance.

There are possibly reasons why a prospective borrower is reluctant to approach his bank, in which case he will probably try one of the finance houses direct or through a dealer. Again, as in the case of banks, interest rates from the reputable houses are broadly in the same range, but it is worth looking around, since there are differences.

Typical

A fairly typical set of rates from a finance house through a dealer loan goes something like this. For a new car, the flat rate of interest is 16 per cent., which comes up to a true rate of 32 per cent. if the money is borrowed for two years. Charges on second-hand cars are higher and for a used car up to three years old the interest would be 18 per cent. flat or 36 per cent. over two years on a true rate basis.

For a car over three years old but below five, the flat rate is 20.5 per cent., which comes up to a sobering 42.5 per cent. on a true rate basis for a year. Cars over five years are unlikely to get a look-in unless it is a high-quality model, and finance-house relations with the dealer are good.

It may be possible to obtain a lower rate of interest if the customer approaches the finance house direct. This could mean a trimming of the flat rate by a

couple of points for a new car, and to, say, five points off the true rate. Moreover, it is worth considering whether the finance being offered is on a HP or loan basis. This makes a difference to the title of ownership and becomes most relevant if the buyer defaults on his repayments.

Various finance houses also run schemes to attract customers, such as the Instalment Protection Insurance offered by United Dominions Trust. Under this scheme, which is arranged through Lloyds underwriters, for a fairly small cost a client is covered should he fall ill or be made redundant and out of work for more than two weeks. If such a problem arises the underwriters will pay the monthly instalments until the customer is working again.

Another option is the arrangements between the Automobile Association and Mercantile Credit where loans can be arranged for AA members for a flat rate of just 11.5 per cent. or 22.5 per cent. true for a year. So if a bank loan is out of the question, finance through the AA does not look unattractive. But the important point to bear in mind is that it is well worth spending time taking a good look around at what is on offer before entering into an agreement.

Terry Garrett

Trailer rental facilities in growing demand

THE SLUMP in activity in British industry on top of a prolonged period of high inflation has left the road hauliers with severe cash problems which in turn has led to a complete re-appraisal of fleet replacement policies and the financing methods now adopted. Volume of business has been extremely low over the past couple of years and with costs rising at a faster pace than haulage rates, profits and cash flow were rapidly being eroded. Indeed many of the smaller companies incurred losses over this period while a high proportion were forced out of business.

This lack of internal cash resources left the hauliers with little alternative but to use outside financing arrangements such as those offered by the clearing banks, merchant banks and the various finance houses. Many of the smaller businesses which traditionally financed themselves internally found themselves seeking large loans from outside sources for the first time.

Soared

This trend in financing is reflected in the fact that up to the start of 1974 only about 30 per cent. of trailer unit sales was financed by the financial institutions but by the end of 1975 the figure had soared to over 50 per cent. Of course the bulk of this does go to the rental companies, which have blossomed on the financial problems of the hauliers, but it does serve to illustrate the changing needs for the private hauliers.

The climate has clearly been right for the trailer rental companies. Apart from the serious need for the hauliers to keep capital expenditure programmes to a minimum, business has been highly competitive and irregular. This in turn put strains on fleet utilisation projections.

There was little point in purchasing a new trailer if contracts were coming through both irregularly and for short

periods. Moreover, maintenance costs were rising at a rapid rate and it was no longer a viable proposition for the smaller hauliers to continue this internally. Here again the rental companies scored for they offered the complete package, including repairs and vehicle taxing.

Incentive

So if the hauliers were taking on contracts for periods of up to say two years there was little incentive for them to embark on a substantial capital expenditure programme, given the current uncertainty in British industry. It is small wonder then, that the rental companies are now seeing an increasing demand for trailers.

Competition here, of course, remains intense and this factor is reflected in the rates that are now on offer. It is now possible for a haulier to take out a rental contract with a life of up to two years at a fixed rate, whereas in the past the rental companies tended to favour those contracts with inflation proof clauses. This naturally helps the smaller hauliers to budget well ahead with a reasonable degree of accuracy.

The growing use of rental companies over the past couple of years has also lessened the needs for the medium sized haulage companies to subcontract work, as a means of safeguarding utilisation of the main fleet.

In much the same way that rental companies have gained in popularity of late so have the leasing concerns. By and large the leasing companies take up where the rental companies leave off in that the latter tends to be more attractive to the road hauliers if the contracts are likely to last more than two years, although much has to do with the individual's tax position.

The tax advantages to the hauliers of leasing have un-

doubtedly been the governing factor over the past year or so. Galloping inflation has naturally forced the costs of new trailers through the roof which in turn increases the value of the first-year allowances from the Government. But with profits dwindling at a rapid rate the hauliers have had precious little to offset allowances against.

This clearly illustrates the advantages of tax leasing for it enables companies without current profits to take advantage of 100 per cent. first-year allowances by dealing with a leasing company. Equipment is bought by the leasing company to satisfy the particular needs of the haulier who in turn pays the lessor rental. This means the haulier avoids the pitfalls of a hefty capital outlay while at the same time he is in the position to pay rents out of the income generated by that particular piece of equipment.

This all sounds fine for the lessee provided the rates charge by the leasing company are realistic, but the problems of late have been that the lessors have found themselves in much the same boat as their customers. They have had similar

financing problems as well as being short of profit to offset allowances against, which in turn has reduced the incentive to replenish fleets, thereby affecting the availability of trailers.

Plight

The financial plight of the haulage companies and the leasing concerns is surely reflected in the recent figures from Crane Fruehauf, the largest U.K. trailer manufacturer. Turnover here in 1975 was some £2m. lower in terms of value, but considerably lower in terms of volume. No doubt taking account of the financial difficulties of its customers, Crane Fruehauf set up a finance division about four years ago. At the moment the level of outside sales financed by this division is still relatively small in terms of overall sales, but it does show that the manufacturers are well aware of the effects that the serious cash shortages are having on road hauliers.

The problems are even apparent in the manufacturing industries such as food, where transport represents a large

slice of costs. In the past the large companies tended to maintain their own fleets, but they are also suffering from internal cash problems and expenditure programmes are being cut back. Transport fleets are an obvious area to make economies, and more and more use is now being made of rental and leasing. The growing volume of export business is also tending to favour the renting or leasing of a fleet, given the problems encountered with licences in foreign ports when parts of vehicles come from different batches.

With money remaining very tight the switch by road hauliers to trailer rental and leasing and to a certain extent to H.P. and bank loans is bound to continue in the short term. The throughput of business is still very irregular, which tends to suggest that the hauliers are more likely to favour the rental contract. Whether, of course, the rental and leasing companies are equipped to meet this growing demand is another matter given the financial problems that prevail here. But to be fair the climate of late is certainly showing signs of improving.

David Wright

Manufacturers

CONTINUED FROM PREVIOUS PAGE

on HP promotion has shown itself to be at least as sound in the long run as Vauxhall's or Chrysler's method of cheap finance. Chrysler's scheme started with a bang, but as many marketing experts warned, all it seemed to do was pull forward its natural customers to buy earlier than they might otherwise have done. As the months went by Chrysler's market share began to plummet, and it is at least arguable that potential buyers became distracted by what they interpreted as panic sales methods. In the end, of course, Chrysler collapsed into the embrace of the Government.

Vauxhall, too, had a tough year in 1975, although some commentators believe that the seeds of a major revival for the company were sown during this period. But the recovery that has clearly set in since December is probably much more closely related to its new products, the Chevette and the Cavalier, than to anything it has done on the finance side.

The other financial tactic adopted by the British manufacturers and their retailers has been discounting. This has been a much less formalised device, not organised on a national level like the HP exercises but worked out on a dealer-to-dealer basis. But equally it has sometimes had an impact on the manufacturer, since the retail discounts may reflect a larger wholesale discount given by the motor company to its dealer; the agreement may then involve the retailer in cutting the margin on his own dealer discount in order to bring the final price of the car down sharply. Judging by the reasonable financial results produced by the distributors last year this technique has rebounded more on the manufacturers than on the retailing sector.

The financial interests of the manufacturers and retailing groups are also intertwined at the wholesale level. Most manufacturers operate a sale or return system for their cars; this means that car tax does not have to be paid until the vehicle leaves the dealer's showroom, the manufacturer having retained ownership until that point. At the same time, however, a system has developed, pioneered by Ford, whereby the

distributors pay over a deposit on their stock in advance of sales.

This so-called "bulk deposit" scheme has attracted a great deal of criticism from dealer organisations on the grounds that, in effect, it gives the manufacturer the free use of finance which would not otherwise be available. At the time of the B.L. crisis, for example, there was considerable anxiety about the amount of money that had been advanced to the company when it was in a clearly unstable financial position. On the other hand, the manufacturers argue that car dealers, like any other retailers, ought to finance their own stocks. And some manufacturers also advance loans to their dealers at reasonable rates of interest to help finance purchases.

Detracts

Whether the motor companies will get even more closely involved in finance as a marketing weapon is now an open question. Historically, the industry has argued that participation in the retailing side merely detracts from the main task of making and developing new models, and the measures of last year undoubtedly had an element of panic about them. On the other hand, in more normal trading times there are considerable profits to be reaped from operating consumer credit businesses, and it would be reasonable to assume a gradual growth of interest by the motor companies in this kind of activity.

Terry Dodsworth

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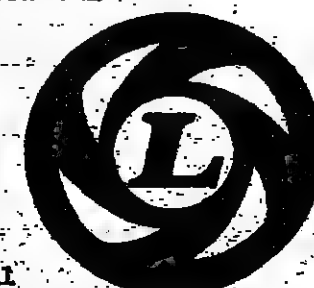
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3 We offer contract hire facilities for large and small vehicle fleet operators, combining the benefits of minimum cash outlay with fixed cost motoring.

4 We serve consumers and the motor trade as major suppliers of finance—on attractive terms—for motor cars, caravans and other durables.

5 Our twenty four branch offices are grouped into three regions based on Hull, Manchester and Kingston-upon-Thames. They will gladly give more information about our services.

6 The Regional Offices are at:

Paragon House,

Ferensway, Hull HU1 3UG

Telephone: 0492 28866

Regional Director: Ian Hutchinson

Regional Manager: Jack Bishop

Lee House,

90 Great Bridgewater Street, Manchester M60 1LA

Telephone: 061 236 2121

Regional Director: Wilfrid Dawson

Regional Manager: Ian Hetherington

Bermuda House,

45 High Street, Hampton Wick, Kingston-upon-Thames KT1 4EH

Telephone: 01-977 0021

Regional Director: Colin Oldham

Regional Manager: Gaye Clarke

BRITISH CREDIT TRUST LIMITED



VEHICLE LEASING AND FINANCE IV

Package deals for company cars

THE PROVISION of a company car to certain employees is regarded by many laymen, including prominent trade union officials, as a perk for executives in the company. But with many industries the company car is a business necessity for quite a number of personnel, many of whom are well below executive level—area managers and representatives are obvious cases. But the cash flow pressures, to which most companies have been subject in the past few years have resulted in a strict examination of the methods of financing company cars, along with examinations of many aspects of financing company operations.

The majority of companies purchase cars outright and write off this asset over two or three years, coinciding with the period of replacement. Thus the obvious move to alleviate immediate cash flow pressure is to extend the period of replacement. Whether this makes economic sense in the long run is open to question. In many cases the company is merely deferring the problem and like most problems that are put off the eventual cost of settlement increases.

In the first place there is the problem of how to finance the jump from comparatively elderly and low-valued cars currently in use to acquiring more expensive brand-new cars. The move to extending the life of a car makes sense if the price of replacement remains comparatively static, but prices of new cars have moved ahead of inflation over the past two years.

The second point about defer-

ring replacement is that vehicle maintenance costs rise predictably with the age of the car. The mileage "norm" for a company car is about 20,000 miles a year, so during the third year the car's mileage is between 40,000 and 60,000, a period in a car's life when maintenance costs are rising faster than the cost of replacement.

The third point, which follows on the first, is that although there is every reason to hope that the pace of inflation is slowing down, the price gap between the trade-in value of an older car and the purchase price of a new car is likely to widen at such a rate that each month's delay will add to the ultimate cost of replacement.

Replacing

Companies are now beginning to investigate the cost effectiveness of the various methods of financing the provision of company cars and are looking at what hire purchase or leasing have to offer. This involves consideration not only of the cost of replacement but the cost of maintenance. For instance, replacing on a one-year cycle means that the car is never out of warranty, so that the only servicing and repair work will be before routine maintenance.

The problems facing companies can be divided into two categories, the immediate cash gap and the longer-term of ensuring that the situation is not repeated and aggravated. The first hurdle can be overcome by

raising credit in some form—hence the use of leasing or hire purchase. The second is to ensure the most economical turn-around periods for which the company cars are used.

The leading operators in the field of vehicle leasing are busy producing financial projections to illustrate the financial effects of various turn-around periods, making various assumptions regarding the future increase in the price of new cars. One interesting exercise from Fleet-lease shows that assuming a 20 per cent. increase in the cost of a new vehicle it would cost about £35 a year more to change a car each year against holding it for two years and this has to be set against the higher maintenance costs. But each company should obtain a quote based on its individual circumstances.

The financial advantages of leasing are dealt with fully in other parts of this survey. Most important is the facility of leasing companies to 100 per cent. first year writing down allowances on passenger cars. The 1971 Finance Act introduced this 100 per cent. allowance, but the position was obscure over passenger cars. The British Vehicle Rental and Leasing Association has been holding discussions with the Inland Revenue on this point over the past two years. Initially the Revenue was refusing to allow the 100 per cent. write-down and was contesting a particular case. Recently it dropped the case and is now admitting such claims.

Leasing companies will now be able to pass on the discounted benefits of this first year writing down allowance for passenger cars in the same way that they have passed on this benefit for commercial vehicles. This will make a considerable reduction in the monthly rental payable; one major finance company has made reductions of the order of 15 per cent. This would explain why many medium and large fleet operators have up to now leased their commercial vehicles but bought the passenger cars.

The other important factor in leasing company cars is that the fleet operator who chooses to purchase his commercial vehicles is entitled to claim the first year writing down allowance for his own company finances. But it is only by using a leasing company that he can obtain the benefit for his passenger cars; he cannot claim it direct. This factor is very important for the individual U.K. motorist, who unless he uses his car for business purposes can in no way obtain the benefit of capital allowances by direct purchase, but may well derive them by leasing if the leasing company sees fit to passing on the benefits.

The ultimate restriction will depend on the form of the absorption of all available profits of the leasing company against which the tax relief can be recovered. Some of the major companies in the leasing industry have had relatively poor results in recent years and have had to impose a restriction on the amount of funds

Encourage

The leasing companies are hoping that they are more favourable to the forthcoming Budget. The hope is that the Government will assist the U.K. motor industry by reflecting in better hire and leasing terms. Companies have been loyal to the industry by buying for company use. They can be encouraged to be more favourable to the industry by buying for company use. They can be encouraged to be more favourable to the industry by buying for company use.

The leasing houses, worried, however, by Revenue's dropping 1 per cent. case, because they may lead proposals on this point. Budget in respect of cars. They feel that may be plugged companies coming Budget with a usual interest.

Eric

Rentco people are nationwide



Ron Sprules is Training Manager for Smith's Foods. With 25 Rentco vehicles on Contract Hire and up to 16 on transient rental at any one time he must be happy with the service he gets. Smith's can't afford let down. But listen to Mr. Sprules...

"We like Crane Fruehauf vehicles so that's a big point in Rentco's favour. Pricewise they're about average, but really you only get what you pay for in this world. The service aspect is first rate—I just pick up the phone and it's all laid on. They even supply us with non-standard spec. vehicles on Contract Hire. All in all I think we'd be hard pressed to find a better outfit."

In today's world of financial uncertainty, more and more companies are realising that trailer rental and contract hire make good

sense—and more and more are choosing Rentco. Just look what Rentco have to offer, and then write or phone to find out how Rentco can help you.

- Dependable service
- Nationwide coverage
- All types of semi-trailers available
- All Crane Fruehauf semi-trailers
- No hidden extras
- Complete flexibility
- Your own livery on Contract Hire
- Special short-term rental rates for contract hire customers
- Competitive rates

When it comes to the crunch, Smiths come to

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RENTCO

Nationwide Trailer Rental & Contract Hire
The reliable one

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A Crane Fruehauf Company

The leasing and contract hire of motor-cars or commercial vehicles is very definitely a growth business, thanks mainly to the economic climate in the U.K.

The finance houses are well represented—among them UDT, Mercantile Credit, Lombard North Central and Forward Trust—as are the day-to-day rental groups, like Godfrey Davis and Avis. The motor manufacturers, too, are making headway in their own right. Ford has a special scheme which is operated throughout its dealerships, and British Leyland is to link up with Forward Trust, the Midland Bank subsidiary.

At the end of the day, there is very little to choose between the groups in terms of the type of deal offered, though there are, of course, subtle differences in service which each would claim accounts for its individual popularity. The overall trend has been for the services to become less distinguishable if anything, with the pressure of competition forcing the companies to pay more lip-service to their customers.

The rental companies operate their leasing sides as separate entities. For them the growth has been very definitely towards leasing and contract hire—the two are almost synonymous—rather than self-drive hire. It is cheaper, too, for these companies to operate say 3,000 motor cars on a leasing basis than it is to run 3,000

cars on self-drive hire. For a start, the numbers of staff required to run the leasing operation are fewer, since the minimum period is one year, not a day and, therefore, the administration is cheaper.

Supplies

This much is confirmed by Avis, which set up Avis Car Leasing with Forward Trust over two years ago. No figures are available but the group confirms that growth has been very substantial. Clearly, starting from scratch like this makes it difficult to compare with other groups, since in this instance the only way is really up in the early years. But for another indication of the type of advance being experienced one can look at Dial Contracts the subsidiary of Mercantile Credit. Here, the number of cars has risen by 50 per cent. to some 6,000 and profits in the current year are on target to hit the £600,000 pre-tax mark. One of the only real problems is actually receiving sufficient supplies of motor cars to supply to the eager customers. At present Dial is waiting for the delivery of over 500 vehicles.

The real kick in the past two or three years has been the squeeze on liquidity in most companies and for some it has no longer been possible to replace a large car fleet and tie up a huge amount of money. One of the ways around this

problem was clearly to go for leasing.

But even now the liquidity crisis has eased in the corporate sector, the effects of inflation have made it very difficult for companies to contemplate outright purchase. New cars have been rising in value by around 25 per cent. per annum. There has been the tendency for companies to try to run their fleets for three, possibly four years instead of the usual two. The only effect of this is temporary, since even if a large cash outlay is avoided there are increased repair bills, loss of time on the road and higher oil and petrol bills to consider.

The contract hire business, in relation to that is extremely attractive. A car can be hired for a set period with all the maintenance, repairs, insurance even in some cases and road tax in others wrapped up into a package. Inflation is built in so that the cost to the company of running that car is at least known for the duration of the contract. And there are none of the responsibilities of owner-ship.

Furthermore, it is vital for those companies with car fleets to keep their travellers or salesmen on the road for the maximum period possible. If the car breaks down it is possible to pick up a replacement in hours under a contract hire agreement; Godfrey Davis, for example, boasts 200 outlets throughout the country.

The one area, of course, where the leasing/contract-hire package is not applied is for the private motorist. For a company the payments may be laid off against taxation and Value Added Tax is another major factor that the individual cannot get past. It is better for the private owner to either buy through instalment credit, a bank loan or whatever or rental car on a short term basis. The growth in self-drive hire has not been so marked recently—or at least that is the experience among the larger firms—although if there is a growth area at all it is in having self-drive hire motor cars to link up with aeroplanes at the principal airports.

Practices

There are some practices that not all of the leasing/contract hire firms embody into their business. One is the passing on of any benefits in the residual value of motor-cars over and above the original estimate made in the contract. For example, the price of a £3,000 motor-car might be expected to depreciate by 50 per cent. over two years. At the end of the period it might be possible, probably because of the make or perhaps the condition of the vehicle, to obtain £1,700.

That £200 extra should not, by law, be passed back to the

customer directly, as there are a number of in-use which make this possible. One is to customer to have a sub-company appointed to hiring company as agents. Thus, if the exceeds the projected offer at the outset of the tract, the £200 in the can go to the selling agent then on to the parent. Other method is for there an adjustment made following year's rental. However, the system work in reverse if the value is less.

Service and conditions adapted almost at will in terms like contract hire leasing really merge into other. One the one hand tract hire tends to be the package, with maintenance, replacement etc., in the other leasing tends more of a financial deal. The latter it is possible for lessee to negotiate the sale purchase of a vehicle, if the customer's wish, and the lessor merely to pick and bill and fix the less charges. But in truth there countless variations exist between the two and customer nowadays can say that he knows best; hirer will be only too willing comply.

Keith Le

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Jaguar XJ34

Handwritten signature: John Smith

The Executive's World

EDITED BY JOHN ELLIOTT

DESIGN COUNCIL AWARD

The boundaries of stress

ITS public debut someone nched the wrong button and 1,000 worth of electronically strolled machinery for test- the strength of materials shed instead of pulling. The sequences for the metal scimen were devastating, but re has nonetheless meta- roused into a commercial- ness story, culminating this ek in a 1976 Design Council ard. It is the most expensive i sophisticated of five engi- ing products and four opments to receive this s awards.

alled the Instron 1250 series, a family of materials testing chies claimed by Instron, a ll science-based company, r High Wycombe, as "unique concept." Certainly the gn Council judges were ressed by the engineering, outstanding example of the gn of physical property ing equipment," commented.

Over 100 machines have ady been sold, mostly od, at prices up to £50,000 the most sophisticated ions.

he customers are laboratories the forefront of materials arch or testing. Many ustrial laboratories have also ght them—Atlas Copco in, idem, Brown Boveri in rland, Pirelli in Italy, and Peking Steelworks among n. One research manager a made it a condition of his ng a U.K. engineering com- y that it should buy him the machine.

Instron was born when two s at the Massachusetts rts of Technology got off- in the second World s to develop a better way of ng the shock-absorbing rties of nylon parachute nes. These properties ned crucially on the rate at ch the material is loaded, a dy-discovered factor in rials testing—perhaps best rated by the big difference "feel" of nylon and gut tennis r strings when they hit the l. The dons married instru- ts and electronics to create ron and the world's first trically controlled testing hine.

he late 1950s plans were de for a European offshoot, der the direction of Mr. rge G. Zahler. This ear- rant British electrical gner set out to build an ependent operation develop- i its own products and ex- iting the world market ide the Americas, and an. His instruments were

used to test almost every con- ceivable material—from super- alloys to ice-cream and corn- flakes.

But after a decade of growth, a competitor announced plans to become the "Instron of dynamic testing"—a new approach, much more closely related to real service condi- tions such as the "flapping" of an aircraft's wings.

Mr. Zahler gave John Griffiths, his chief engineer, two options: either develop a machine as good as the com- petitor's but cheaper, or come

performance itself, with no susceptibility to fatigue failure.

Fifth, the designers took the established company policy of modular design to new lengths by developing units—such as a chart recorder and a new cross- head drive—they believed would find a role in other new products.

The final point—one picked up especially by the judges—was that every feature of the machine has a practical purpose. Where this could be combined with good aesthetics, so much the better, but the judges found no feature introduced purely

for cosmetic purposes.

As chief engineer Mr. Griffiths is responsible for all design, research and development at High Wycombe. But he stresses that such a development is possible only as a team effort. "A project is finished as far as we're concerned only when the factory is able to make it with- out further reference to us."

The company spends about 6 per cent of turnover on engineering development—which also the first machine to use places it squarely in the high- digital instead of analogue con- trols. Moreover, it used servo- hydraulic systems much more extensively than in any earlier testing machine.

The fourth point was that, since the machine was being designed for dynamic instead of static testing, it was crucial that it should have a good dynamic

product should offer.

Mr. George Zahler (right) and Mr. John Griffiths with an Instron 1250 tester.

up with a better machine. Mr. Griffiths believes his team has done both with the 1250 series.

Better rather than cheaper was the main design objective, however, of a team whose experience lay heavily in the aerospace business. At least six distinctive design features can be discerned. Three of them relate to the technologies used. It was Instron's first use of integrated circuits—micro-

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David Fishlock looks

at the management of

a small advanced

technology company

which won one of

yesterday's Design

Council awards for

engineering products

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Hugh O'Shaughnessy profiles a South American General who has steered his country's major industry through nationalisation

Venezuela manages its oil

THE LIKELY reaction of the layman who learns that the oil industry in a South American country is being run by a general is to smirk. The popular image must be of a bemuddled incompetent presiding over a scene of none too honest chaos.

General Rafael Alfonso Ravard, president of the newly-created Petróleos de Venezuela (Petróven), who visited London last week, destroys the image. Now in his early sixties, he is small and soft spoken. Three years ago he retired from the active list. Alfonso is widely regarded in his own country as one of Venezuela's most outstanding managers and a natural choice for the job of running the industry on which the country depends and which President Carlos Andrés Pérez's Government nationalised on New Year's Day. Petróleos de Venezuela, a holding company controlling 13 operating units, is among the half dozen biggest oil companies in the world.

During a long career in the army the general managed to stack up a long list of academic honours. He studied military engineering in Italy, took a course in hydraulics at the Massachusetts Institute of Technology and took the French Army's staff course in Paris.

But it was not the letters after his name which got him his present job. Rather it was a stint from the beginning of 1961 to 1974 when he was president of the Corporación Venezolana de Guayana (CVG), the State corporation charged with the integral development of much of the mineral rich, but sparsely populated eastern region of the country. His military rank also helped in a country which, though a democracy, feels a strong military presence.

Before the creation of CVG, Guayana was a desolate place whose main claim to importance was as the site of two iron ore mining operations run by U.S. steel companies. The inauguration of the Guri dam on the Caroni River, which by a quirk of topography was able to produce large amounts of hydroelectric power at very low cost, opened up the possibility of establishing industries to process the ore into steel and be the basis of whole new communities. CVG presided over the birth of Siderúrgica del Orinoco, a State run company producing steel, and of Ciudad Guayana, a new city boasting an important modern art museum and an Inter Continental Hotel. This was achieved with little of the financial or other scandals which, for instance, plagued the establishment of Brasília.

Though Alfonso Ravard says



General Rafael Alfonso Ravard, the President of Petróleos de Venezuela.

he is getting a bit tired of being known as "the grandfather of Guayana" there is no doubt that the development of the region stands to-day as a monument to him and a team of his close collaborators, who include his successor, Dr. Argenis Gamboa.

Running Petróleos de Venezuela demands very different and more diplomatic gifts than were needed at CVG. From being a pioneer, pushing and pulling and eventually creating something new he has to turn his talents to the maintenance and conservation of something infinitely intricate and delicate. The Venezuelan oil industry is a highly sophisticated operation. Unlike many other OPEC countries, Venezuela refines a large part of the crude it produces and markets hundreds of different products in many countries, the principal of which is the U.S. Petróleos de Venezuela demands of its managers a great deal more than turning valves and loading tankers with crude oil.

Underpinned

Until December 31 last, this operation was underpinned by the international oil companies which provided the latest techniques of extraction and refining and disposed of the product to the end user.

Though all the major participants in the Venezuelan oil industry had their bases outside the country the personnel they employed were almost totally Venezuelan. In this manner the Government and General Alfonso Ravard have found the secret of succeeding with the nationalisation operation in retaining and not upsetting the loyalty of their Venezuelan staff, which in its turn will ensure the continuing efficiency of the industry.

Since long before the January 1 Vesting Day, therefore, Sr

Carlos Andres Pérez, the Venezuelan President, Dr. Valentin Hernandez, the oil minister, and General Alfonso Ravard himself have all constantly underlined the need for continuing normality. Time and again President Pérez has pledged that the industry would not be allowed to be made the plaything or football of the politicians. Last week in London the General made the point again: "Mr. Wilson said," he remarked, "that a week was a long time in politics. I firmly believe that it is impossible for an oil industry like ours to pursue long-term development strategies if it is made the subject of the short-term interests of politicians, which of necessity often have to respond to the needs of the moment."

With statements such as this General Alfonso Ravard has headed off the possibility of an exodus from the nationalised corporation of the leading figures of the 35,000 strong labour force, most of whom could easily get jobs in other parts of the world but whom it would be difficult to replace in Venezuela itself. This labour force, he claims, is the most precious asset of Petróleos de Venezuela.

He appears to have won the diplomatic battle in his dealings with his staff. Indeed, he seems, according to one observer, to have enlisted them into a tacit alliance against the meddling of politicians, so far thwarting the manoeuvres of those seeking political favours, such as a job for a constituent, from the corporation.

Another observer feels that he still has some hurdles to jump before he gets his staffing problem beaten. "Sooner or later all those senior managers who have spent all their lives on the promotion ladder of one of the major international oil companies will wake up and realise that they haven't got Mummy

in. That will be a dangerous moment."

Meanwhile, the affairs of the company have in the past 10 weeks gone much better than many Venezuelans were forecasting at the end of December. Things have not fallen apart as the Venezuelans took ultimate control and the major oil companies, which three months ago looked as though they were about to mount a big squeeze on the fledgling corporation by cutting down their offshore of Venezuelan oil drastically and letting the country drown in its own crude, have signed purchase agreements. "It was not because they wanted Venezuelan oil but they could not let the smaller boys get to it," explained one Venezuelan oil man. General Alfonso Ravard's military nerves have survived the first skirmishes.



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TUESDAY, MARCH 30, 1976

The faults of protection

THE CONCLUSION of the Cambridge Economic Policy Group, that long-term import controls are needed to allow even a modest increase in real personal income over the next few years and to prevent unemployment from rising to still higher levels than at present, deserves the attention which it has received. Not only do the authors of the report enjoy a high professional standing, but the idea of import controls is already in high favour among trade union leaders and on the Left wing of the Labour Party.

For the Chancellor, who has so far made only modest concessions to the TUC in this direction and is at present seeking its co-operation in a new phase of voluntary pay restraint, the timing of the report is certainly unfortunate. He could argue fairly, and probably will, that it takes far too little account of the international repercussions that would follow any such action.

Supply problem

But there are other arguments against protection that may have more effect. The advocacy of widespread import controls, for example, assumes that the goods which are no longer available from abroad will be produced instead at home. But is this assumption justified? To take the single case of British Leyland, we could undoubtedly be exporting a great many more cars and cutting down heavily on imports at present if potential domestic output were forthcoming; but it is not. And there are uncertainties about the attitude of management as well as labour in such a situation. If, as seems most likely, the import controls were expected to be fairly short-lived, the level of new investment would not necessarily be higher than otherwise, and scarcity would exacerbate inflation.

If it were somehow made clear, however, that controls were here to stay for several years, a different argument

Senator Humphrey thinks it over

IT IS only five weeks since the first of the 1976 U.S. primary elections took place in New Hampshire, though it seems longer. The results have not so far been decisive, but on both sides certain preliminary, if rather negative, conclusions can be drawn.

For the Republicans President Ford seems to have successfully beaten off the Right wing challenge of Mr. Ronald Reagan, the former Governor of California, despite the latter's victory in North Carolina last week. For the most part it has been a steady string of Ford victories, which is more than could have been safely predicted a few months ago. The President has been obliged to trim a little along the way—for example, in dropping the word "détente" in favour of "peace through strength"—but he has had little difficulty in establishing that he is himself a conservative Republican. That was the weakness of the Reagan challenge; had it been mounted against a more liberal incumbent, like Mr. Nelson Rockefeller, the outcome might have been different.

Strategy
If Senator Humphrey really wants the Presidency, this might well be the sensible thing to do. For it is clear that the Democrats have not yet developed a coherent strategy. The liberals among them have almost all withdrawn, while Senator Jackson and Mr. Carter have little in common they might as well be running for different parties. The outlook would become more worrying from the Democrats' point of view if it were assumed that President Ford might now at least hold his own on the economic issues. It is also possible that if the economic debate were to be inconclusive, the Democrats would have to find alternative ground on which to fight. The most likely would be foreign policy. For the Democrats, Mr. Carter offers only inexperience and indeed has made only one foreign policy speech. Senator Jackson has the knowledge and might produce a glittering Cabinet (Dr. Schlesinger back at the Pentagon and Mr. Moynihan, lately of the U.N., as Secretary of State). Yet the Jackson challenge on foreign policy is not unlike the Reagan challenge: President Ford can adapt to it by showing his own "hawkishness".

Economy
The past few weeks have also brought a succession of economic indicators which at the very least can do the President no harm. Unemployment in February was down to 7.6 per cent. from a peak of 8.9 per cent. last May. Wholesale prices have either fallen or held steady for four months running and this is beginning to be reflected in consumer prices. The unemployment figure is, of course, still high, but whereas a few months ago the Democrats were expected to exploit the economy as the main campaign issue, this task is now becoming harder. President Ford is entitled to say that things are getting better.

The Democratic line up is in any case still far from clear. As with the Republicans, the extremist candidate—Governor Wallace of Alabama—seems to have become a spent force, but the race between Mr. Jimmy Carter, the former Governor of Georgia, and Senator Henry Jackson is still very much open and they have yet to meet in a contest which both take seriously. Senator Jackson did very well in the industrial State of Massachusetts and his hawkish views on defence are more fashionable than they were. Mr. Carter's main platform is to be anti-Washington and he seems to do better every time despite, or perhaps because of, the hostility he inspires amongst the party's establishment. Both men have now emerged sufficiently clearly as front runners for Senator Hubert Humphrey, the former vice-president and candidate against Mr. Nixon in 1968, to suggest that he might enter some of the later primaries himself rather than wait to accept the nomination if offered, at the Convention in August.

TWO points can be made of the current political and economic situation in Italy. The first is that things cannot go on as they have been for very much longer. The second is, unfortunately, that perhaps they can. The country offers all the signs of tottering, through the economic crisis, towards the cliff of ungovernability, paralysis and disintegration.

One might think that, even at this late hour, the Christian Democrat Party, which has held power for 30 years, and which still, astonishingly, retains the vestiges of legitimacy as Italy's natural governing party, would take a grip on itself, clean out the Augean mess of feudalism, nepotism and corruption which has brought Italy to its present pass, and reassert some of the principles of clean government in the hope that this might stem the tide flowing in favour of the Communist Party.

One might think that the Communist Party, whose vote at last year's provincial elections brought it within spitting distance of the Christian Democrats, would be ready, able and willing to take over the reins of power at the earliest opportunity. One might even think that, if the country is heading (as many Italians seem to believe) for a Latin American situation, then the moment might well come for somebody to try a Latin American coup d'état.

Yet none of these suppositions so far amounts to a genuine probability. The Christian Democrat Party has just held a passionate, unruly and at times hysterical congress. At no point was there any serious attempt to debate economic policy or the problems of government. Instead, the sole object of their concern, personified in a battle between rival factions for the top job of secretary of the Party, was a debate over whether it would be better to stand out against any deal with the Communists, or to feel for some oblique accommodation with them.

Perhaps the biggest

The Communists ought by rights to be full of confidence. Their striking advance at last June's provincial elections made them, for the first time, credible challengers to the Christian Democrats. A straight-line extrapolation of their recent progress at the polls could make them the single biggest party in Italy. Of course, a straight-line is as improbable in politics as in economics, and in a traditionally Catholic West European country a party which calls itself Communist is almost bound to encounter increasing voter resistance the nearer it gets to 50 per cent. of the electorate. Nevertheless, the

MEN AND MATTERS

Who brews the best beer?

Carlsberg, the Danish company which coined the advertising slogan "probably the best lager in the world," was apparently right to carefully avoid being over-positive with its slogan. And following the judgment of 30 of Britain's leading head brewers it may still have to think again.

The brewing panel have just been sipping their way through 104 different bottled lagers from practically every beer-producing country in the world to find "the best in the world." According to the experts, Carlsberg, Tuborg, and British or international alternatives such as Skol and Carling Black Label, take a back seat: the winner was Maurits Brewery and, if you think that is unlikely, the runner-up was Brasserie du Benin from Lomé in the Republic of Togo. None of the 34 U.K. entries was judged to be worthy of even a "place."

The larger competition was just one of five for which results were announced yesterday. Venue for the decisions was the International Brewing, Bottling and Allied Trade Exhibition at Earls Court—or, in shorthand, Brewex '76.

The results must have surprised even the brewers themselves, although the organisers of the exhibition may have had some premonition of what was likely to happen in the larger stakes since, for the first time, they introduced a competition for the best U.K. draught lager. That attracted 41 entries and was won by Matthew Brown of Workington. Allied Breweries was the only one of the "big six" breweries to win any sort of prize—coming second in this particular event through its Alcoa brewery in Scotland. For the rest it was the small

In Republican eyes Italy needs restrictions on wages; and public expenditure; wage restraint; calls for sacrifices—from a primarily Communist clientele; and the two must go together.

The object of the exercise, from the Republican point of view, would not be to bring about the *compromesso storico*, but rather to avert any necessity for it. This is not because the Republicans fear that the Communist Party might actually introduce Communism into Italy: they appear to take the view that the "liberalism" of the Communist

Broken-backed minority

At the investiture earlier this year of the broken-backed minority Christian Democrat Government under Sig. Aldo Moro, Sig. Enrico Berlinguer, the Communist Party Secretary, warned the Prime Minister that the DC (the Christian Democrats) might be forced to choose between a DC-Communist coalition (the so-called historic compromise) and going into opposition. This was the first time that the Communists had opening held out the possibility of their leading a Left-wing Government. Yet it is only now apparent that what the Communists still want is really a coalition with the Christian Democrats. They do not feel themselves to be strong enough to govern alone or with the help of the smaller parties.

The problem of the Communist Party—and in a broader sense it is the problem of Italy—is that a great many Italians owe their livelihood, or a large part of it, directly to the Christian Democrat Party. The bloated bureaucracies of the public service, the para-State organisations, the nationalised industries are stuffed with place-men, many of whom do no more than draw their pay.

The core of Communist support lies, by and large, in the industrial working class which is not, by European standards, extravagantly paid: a large part of the Christian Democrat Party's support lies in the national bureaucracies which are there to implement government policies. That is one reason why the Communist Party can scarcely contemplate leading a Left-wing coalition unless the coalition were able to count on considerably more than half—say 60 per cent.—of the electorate.

Against this background the small but influential Republican Party has proposed the negotiation of a common programme, on a limited number of points, by the Christian Democrats, the Communists and the Socialists.

Italy's Polls



leadership has turned it into ship is of a rigidly Stalinist persuasion, in stark contrast with the attitude of the PCI. No Party. They profess not to doubt the sincerity of Sig. Berlinguer's ostentatious claims of independence from the Soviet Government, though given the Union that the overt entry of the Communists into government the case of Portugal, which would introduce an element of uncertainty into Europe which might prove destabilising see that this or any other attempt to exclude Italy from its existing role in the Alliance would be a profitable exercise so long as the Communist Party claims to wish to remain a member of Nato.

Because of their uncertainty about what the PCI stands for, non-Communist parties in Western Europe — its entry would be happier if the problem into Government could be dissolved.

For the moment, Slazenger is pitching its sales targets modestly. The company reckons the world tennis-playing population at some 60m., but first-year Phantom sales will be only 1,000 in the U.K. and 6,500 elsewhere. All those special features make it sound as though users are more or less guaranteed a Wimbledon place, but I suppose there's still no substitute for hitting straight in the first place.

It is also claimed to have a complete absence of torque, an aerodynamically-designed frame to reduce air resistance, and is supposed to be kinder on all the relevant muscles to boot. Britain's Ann Jones will be one of the first top players to wield the Phantom in earnest on this year's World Team Tennis professional circuit in America. Mrs. Jones plans to travel with six Phantoms (almost £700 worth), and so could probably do with a security guard.

Still on expensive items, the world of learned journals (Robert Maxwell's backyard, you may recall) still seems to defy some of the laws of consumer economics at times. Take the new *Interdisciplinary Science Reviews*: it will cost £5.50 a copy, though there is an

Communists at the centre of a typically Italian puzzle

BY IAN DAVIDSON

ruptive because of the unpredictable reactions of foreign Governments, notably that of the U.S. The U.S. has been outspoken in its condemnation of any concessions to the PCI. Yet it is difficult to see what Washington could do to prevent or undermine Communist participation in the Italian Government, without at the same time further weakening the Atlantic Alliance.

The U.S. Administration took the entry of Communists into the post-revolutionary government of Portugal as justification for excluding Portugal from participation in Nato's nuclear Planning Group. But the Portuguese Communist leader

Do the Communists mean what they say? Are they really in favour of Western European integration? Are they really in favour of democracy, or pluralism, of individual liberties, or small enterprise, of trade liberalisation, of planning agreements rather than wholesale nationalisation? In most of these respects, the PCI's declared policy contrasts rather starkly with the declared policies, despite recent amendments, of the French Communist Party. Clearly, no certain answers can be given to such questions without trial, and possibly error. But there are plausible reasons for supposing that they mean at least some of the things that they say.

The central question is whether the Italian Communists are genuinely committed to the principle of European integration. So long as the European Community remains relatively democratic and pluralistic, it will require certain minimum standards of democracy and pluralism of all its members. My impression is that the Italian Communists are so committed — at least for the time being, and it would be unreasonable to expect to look into the distant future. Italy has been a united country for a very short time, by European standards; many Italians maintain that it is still not united, and that that is one reason for the failure of the political system and the disintegration of the State. Many Italians, from all parts of the political spectrum, also maintain that the European Community offers the perspective of a second, European phase of *risorgimento*: PCI support for the principle of direct elections to the European Parliament certainly contrasts strangely with the attitude of the Left-wing of the Labour Party, the Right-wing of the Tories, or the Gaullists and the Communists in France. Fascism lasted much longer in Italy than in Germany, and PCI support for liberal trading policies against a background where Italy's economy has become heavily dependent on trade with the rest of the Community, can be explained, at the minimum, as a reaction against the autarkic policies of Mussolini. Thirdly, if the PCI wishes to resist ideological subservience to the Soviet Union, it has no alternative but recourse to closer relations with Western Europe.

East Europe jokes

Events and the hopes of the Christian Democrats will doubtless decide soon Italy and the East. Benigno Zaccagnini, DC's quasi-liberal Secretary, fails to secure some acceptable parliamentary compromise the important question abortion. Italy may well premature general elections the grounds that they would be preferable (for the DC) to a re-run of the traumatic 1974 referendum of 1974 (and w also have the advantage averting local elections Rome). General elections determine whether the *promesso storico* has been immediate. Inevitably, whether it can be postponed until 1977 and b One thing seems relative: the Christian Democrats will never reform them so long as they remain Government, since the Government is the reason for their corruption. And a coup d'état. It may not sound very Communist in the ordinary meaning word, and Italy is not Eastern European country; the seriousness of the situation may be measured the fact that Italian Eastern European-type about it. Questioned about dangers of a coup, one most educated and chiefs of the Christian Democrats said: "Before can have a coup d'état must have a State to m coup against."

design and build for industry and commerce

enticing "founder subscriber's offer" at a mere £3.60. ISR is the ninth scientific journal launched by the engaging Gunter Heyden. The first issue had a 3,000 print run: is edited by two chemists-introduced-journalists, Dr. Anthony Michaels and Dr. Peter Farago, and is a very highbrow quarterly indeed, with no less than eight Nobel laureates on its editorial Board.

Publishers in Fleet Street and elsewhere will no doubt be intrigued when Heyden says he can break even with the magazine with a sale as low as 1,500. Heyden started in publishing on his own some seven years ago, first selling a U.S. science journal around Europe.

Before that, his British career had begun with Czech-born Maxwell, who brought him to this country from Berlin in 1950 at a salary of £3 a week. Heyden recalls his boss giving an early lesson in cost-cutting. He once requested a rise, and was asked why. "To buy a new coat," he explained—and he got a new coat, not the money.

Melonious

There was once a melon tree, and all the melons were round and smooth except one, which was very hairy. The smooth melons took a dislike to the hairy one, and decided to get rid of it by shaking the tree. The hairy melon was caught off guard and fell. It rolled to a standstill at the feet of a lamb. "Hello, lamb, how are you?" asked the melon. No reply. "Come on," persisted the melon, "why not be friendly?" At which the lamb broke into song: "Cos I'm shy, hairy melon, I'm shy..."

Observer

How Scotland could rescue Britain

IF THE Scottish Nationalists maintain their present level of support in Scotland then it will be very nearly impossible for any major party to win an overall majority at the next election—unless one of them manages to win by a landslide in England. I have larded this opening proposition with "ifs" and "buts" because no prediction of this kind can ever be certain; if pressed I would put it more strongly and say that if the man elected to be the new leader of the Labour Party this week calls an early election the most likely outcome will be yet another minority Government.

The consequences of a change from single-party majority to largest-party minority Government could be of major importance to every section of our society. The brief spell of minority Government that we enjoyed between March and October 1974 indicated that one advantage of such a state of affairs can be the postponement or abandonment of some of the madder items on a party's election programme. The spell of minority Government that we can look forward to if the Labour Party loses the affiliation of one more MP—in a by-election, in the new Scottish Labour Party, or following the possible departure of Mr. John Stonehouse—will no doubt prove the same point all over again. It seems that there really is a silver lining: if the present mood of national dissatisfaction persists the gain could be the end of rule by the overriding majority of one or other of our two class-based parties.

Before following this thought

any further it would be best to set out the arithmetic. The 12 Northern Ireland seats at Westminster will be taken as given, on the present pattern, because it is hard to see why an election should change them. Count one seat for Labour and the others as somewhere between props for the Tories and un-

It is necessary to win 318 seats to establish a majority over all other parties in the House of Commons. If you give Labour all its 41 Scottish seats (assuming that the two Scottish Labour Party renegades return to the fold), plus its dependable supporter from Ulster, plus all its Welsh seats,

Tory landslide as big as that of 1959, or, if you give her the Ulster Unionists, the lesser Conservative victories of 1955 and 1970.

For on our assumption of no change in Scotland the Conservatives start with a mere 24 seats outside England (leaving

now the largest single party in Scotland. It should improve substantially on its present holding of 11 seats if the next election comes soon—and every seat it takes from one of the two major national parties will make it that much harder for either of them to achieve an

suddenly discovered that after all they really rather liked the idea of a British federation. Happily, there is no telling where a Scottish election might end. Who in Whitehall can really assert with a straight face that Scotland's affairs are better managed from London than they would be from Edinburgh?

tion to Scotland alone is mentioned. The truth is that the South-East of England is a different kind of society from the north. Wales and Scotland are different in their own ways. South-easters have a greater preference for owner-occupied and grammar schools; the Scottish addition to rented housing is well known, and their more sensible approach to teaching deserves to be better known.

But where else can the hopeful turn? It is pre-eminently because the Nationalists' votes are concentrated in the north, Wales and Scotland, that they carry so much potential power. The Liberals command much more support but it is dispersed and therefore—under our present rules—it is less effective at Westminster.

Predict

For the same reason the benefits of minority Government are harder to predict than they would be if, say, the Liberals held a clear balance of power. The Scottish Nationalists would probably support a Labour administration rather than a Conservative one because, as matters stand, Labour's bid on the nationalisation of the railways is the highest. This could be changed by a Tory counter-bid. On other issues, I am delighted to say, a minority Government could never be absolutely sure that Parliament would accept what was put before it. The recent withdrawal of the proposals for metropolitanisation is one indication of what this could mean; a forthcoming vote on, say, the nationalisation of shipbuilding (where the Scottish Nationalists want their own Scottish Board) could be another. Such a situation in Parliament should be reflected in every act of social policy, which means that with luck some of the provocatively ideological legislation of the early post-1970 "Thy type or the 1974-75 Labour kind might in future be avoided. Too much to hope for? This early spring fancy could be shattered by, say, a major-party landslide, but let us enjoy the mellowing to build on the advance of one particular party in one part of

Those who imagine that such a thing can only happen in a future so far distant that it is not worth worrying about should consider the pace of change over the past ten or 15 years. If we continue to move at about the same speed there is no reason why regional parliaments should not be elected and ready to legislate by the mid-1980s. This could have a number of beneficial spin-offs. The sharing of power should mean a greater propensity to write down the terms under which it is exercised. The days when an unwritten constitution was the best mechanism for governing British society have long passed; by now needed people who would pay at least some attention to the unspoken rules for that to work. In our rougher times we need to have as much as possible in writing. Again, the advance of the Scottish Nationalists may yet in every act of social policy, which means that with luck some of the provocatively ideological legislation of the early post-1970 "Thy type or the 1974-75 Labour kind might in future be avoided. Too much to hope for? This early spring fancy could be shattered by, say, a major-party landslide, but let us enjoy the mellowing to build on the advance of one particular party in one part of

THE CHANGING STRENGTH OF NATIONALIST SUPPORT IN SCOTLAND (%)

	1959 Election	1964 Election	1966 Election	1970 Election	Feb. 1974 Election	Oct. 1974 Election	1975* Early Jan.	1975* End Apr.	1975* Early July	1975* Sept.	1975* Oct.	1975* Nov.	1976* Early Jan.	1976* Late Jan.	1976* Feb.
Nat	0.8	2.4	5.0	11.4	21.9	30.4	31	27	24	27	26	26	36	36	33
Con	47.3	40.4	37.7	38.0	32.9	24.7	23	31	33	34	30	26	28	27	28
Lab	46.7	48.7	49.9	44.5	36.6	36.3	40	37	39	35	39	42	30	33	24
Lib	4.1	7.6	6.8	5.5	8.0	8.3	6	5	5	4	4	5	5	3	6

* Results of opinion polls by System Three Scotland
* And 8, for the Scottish Labour Party

predictable. It seems reasonable to treat the Welsh seats in the same way; the October, 1974, outcome was Conservative 8, Labour 23, Liberal 2, and Nationalist 3.

Unreasonable

It would be wholly unreasonable to take Scotland as given, for the big question is, how many seats will the Scottish Nationalist Party win next time? Perhaps the best way of assessing the significance of this is by starting with the assumption that there is no change in Scotland either. The October, 1974, dispensation was: Conservative 16, the lowest number of Scottish seats won at any time since the war; Labour 41, a better result than February, 1974, but worse than in any of the three preceding elections; Liberal 3; and Nationalist 11.

plus the Welsh Nationalists for good measure, then the Party needs to win 255 seats in England to add to the rag-bag of 68 Celtic seats; without its present SDLP and Plaid Cymru supporters or the Scottish renegades it would need 256. Labour has won as many as 256 seats in England only twice since 1945 and 1968. It has come near to this total on only two other occasions—1850 and October 1974.

To do so again in an early election would require a new Prime Minister and Cabinet to be so popular that it could overcome both whatever vote-pulling power Mrs. Margaret Thatcher has and the possible defection to the Tories of a number of Liberal voters. Well then, it may be said, could Mrs. Thatcher not win by winning in England? The answer is that she could—if she managed a

British society could benefit from such a change. Like a patient in an advanced stage of a debilitating disease, our policy suffers from so many troubles nowadays that it would be foolish to point to a single one of them and proclaim, "cure that and you cure it all"—yet the prospect of institutional reform is one sign of hope in a generally distressing atmosphere. For if my arithmetic is on the right lines the really important event of 1978 will be the auction for Scottish National Party support. The Labour Party (Scottish branch) put in as good a bid as its divided ranks could muster last week-end, which means that there will be pressure to improve the constitution terms now being offered by the Government. The Conservatives are desperately worried about what to do; it would not surprise me if they

burnt? The Welsh would certainly do better with a Cardiff administration. If there were regional governments in England the decisions that most people consider to be important—on health, housing, education, welfare, or local transport—would be taken by governments closer to the people; if this could only be made practical by transferring some of the power to raise taxes, and manage or mismanage the economy, from London to regional authorities, then so be it. If it also meant the abolition of some intermediary local authorities (like Strathclyde, say, or the Greater London Council), that would be fair game.

This is not the currently fashionable view in Westminster. All kinds of horrific visions are conjured up when the mildest dose of devolution

Letters to the Editor

The Dock Work Bill

From The General Manager,
The National Association of Port Employers.

Sir,—Although I agreed with much of your leader of March 28 on the Dock Work Bill, you repeated a popular misconception that the Bill, as drafted and then enacted, will result in men being deprived of their jobs to make way for dockers. At most the extension of the dock labour scheme will result in a slow infiltration as vacancies arise, of work newly classified as dock work. The immediate problem of surplus labour in the docks arises in the next two years and the Bill will do little if anything to alleviate it. By the time it begins to have an appreciable effect, dock employment will surely have approached a position of greater stability and we should be thinking about planned recruitment.

The Port Employers have stated repeatedly that the Bill is the wrong way to deal with the problem of technological change in the docks. Its effect, and as far as we can tell, its purpose will be the extension to employers outside the ports of a particular form of workers' control inherited from the last war, namely statutory registration of employees, a system which provides total job security for the privileged few to whom it is extended. In the last seven years the industry has spent £30m. and the taxpayer another £30m. securing, not without difficulty, a voluntary reduction in the register of dock workers consistent with the reduction in labour requirements brought about by technological change. The Secretary of State for Employment would now have us stand on our heads by embarking on an increase in these registers.

Far from helping the docker, a consequence could be more competitors for the docker's job and a new, and at this point open-ended, liability for port employers and ultimately port users. The ports industry has put these arguments to the Secretary of State; the tragedy of the situation is that he is not prepared to listen.

E. Bainbridge,
3/5, Queen Square, W.C.1.

Executives' pay levels

From The Deputy Chairman,
Reed Executive.

Sir,—Mr. David Plastow (March 25) is to be congratulated on taking the opportunity to speak against the effects of the present taxation rates at the Young Businessman of the Year Award luncheon. On our observation he speaks for many beyond Rolls-Royce Motors.

Gone are the days of mild disenchantment and disappointment with what has been for a long time a poor deal. Substantial numbers of British executives now carry within them a seething discontent at the exploitation of their minority position. They know they are being made fools of. Many are determined to leave, and the foreigner is steadily taking choice jobs to leave, while it may be a solution for the individual, is regression compounded for the nation.

What is required is some decisive action in the April Budget (your own taxation correspondent begins to suggest how) coupled with an undertaking that

it is not a momentary change, followed by an acknowledgment from the British of the nation through its organised forms that international standards of leadership (lower standards are no good to us) should ungrudgingly receive international standards of take-home pay. No one is going to be convinced by anything less.

B. H. Mason,
13-15, Shaftesbury Street,
Windsor, Berkshire.

Metritation and inflation

From Mr. F. Peachey.

Sir,—Surely, the inflation effect of devaluation was due to the fact that the smallest new unit was 2½ times the value of the one it replaced. Five times if we accept that the 1p coin was conceived for quick obsolescence, Britain would have retained a far more stable price structure if we had opted for the 10-shilling pound. Like Australia, South Africa and New Zealand, in this way, too, £18 would have equalled 18/- in the old money—a simple and quick check on values.

There is no reason why metritation should automatically result in higher prices, and legislative regulations could easily be framed to make any such practice an offence. Our trouble as a nation is that for lack of clear thinking and practical common-sense we wander to and encourage inflationary tendencies.

F. K. Peachey,
12, Church Road,
Leckhampton, Cheltenham.

Opposition to new measures

From Mr. S. W. Penwill.

Sir,—The possibility of a smooth transition into metritation, if it ever comes about in face of the ingrained opposition of the bulk of the population, will surely not be helped by the famous examples of the Metritation Board advertising showing the situation today. The contributor to a pension scheme rightly expects the pension fund manager to look after his interests and to avoid investing in doubtful projects. It is his future pension he is concerned about, not the hypothetical advantage to other people by investing in, say, shipyard machinery.

Mr. Hopkinson (March 12) understandably found that the committee system of institutional investment produced no

benefits at all in trying to pep up sluggish management and it was very doubtful whether the equity bank will fare any better, even with a seat on the Board. Some of the biggest disaster areas in recent years have had well-known and highly regarded "names" on their Boards.

A reduction in unemployment is a very desirable, quite apart from Mr. Laybourn's desire to see more members in every pension scheme, but if numbers employed are to be the criterion, the quickest answer is not to be selective, but to increase over-manning in State industries and impose taxation on pension schemes to pay for it!

A Government guarantee of an 8 per cent. return on equity bank capital simply amounts to yet another State scheme to prop up dying and inefficient industries at the public's expense. Government intervention is usually the kiss of death to any industry.

Surely it is time we adopted a fresh approach and started supporting the healthy and successful concerns (large and small) which produce our exports and provide profitable and un subsidised employment for so many people in spite of price controls, restrictions and corporation tax at 52 per cent. If, in his Budget, Mr. Healey introduced a much lower rate of corporation tax for manufacturing activities and removed dividend and salary controls from such companies, there would be no need for an equity bank, for any further refinancing measures, or for employment or for pension fund managers to have to be persuaded to invest in British industry.

Donald Black,
Linden Lea,
Stratton Chase Drive,
Chalfont St. Giles, Bucks.

Battle lines over maps

From Mr. C. Togg.

Sir,—Men and Matters (March 24) reported on the battle between the Map Publishers Group and the Ordnance Survey with regard to the new royalty charges inflicted on map publishers. I feel that with all due respect to Alan Dalgleish, director of Ordnance Survey map publications, he completely side-stepped the issue. To say that mass producers were only contributing about 8 per cent. of royalties is all very interesting, but what is 8 per cent. and of what?

The increase which he quoted (0.7-2.6p) which is incidentally a rise of 271 per cent. may well be correct but what he failed to add was that any increase in the royalty must be totally reflected in increased map prices to the public. He also knows only too well that commercial publishers have to operate within an established trading situation of structured discounts through wholesalers and retailers. Therefore, the 2.6p on a single sheet map represents an increase of 71p on the price paid by the public. To say that mass producers were only contributing about 8 per cent. of royalties is all very interesting, but what is 8 per cent. and of what?

edition of Rucksack, the Journal of the Ramblers Association, states that Ordnance Survey has charged the Bromley Consumers Group a royalty of 11p per copy (plus VAT) on a reprint of the Countryside Map, and has said that no further royalties will be paid. The reason given is that OS has published the second series of 2½ inch maps showing the area, and the group's map which has sold 7,000 copies at 20p will, if it continues, reduce sales of the Ordnance Survey map.

Independent businesses

From The Hon. Treasurer,
Association of Independent Businesses.

Sir,—I was interested to read in your report (March 28) that Mr. John Bolton has urged banks to give more discretion to local branch managers in lending money to small businesses and that the City institutions should devote a larger proportion of their funds to helping the independent sector. Splendid sentiments and I heartily endorse them.

But what is the point of such facilities if independent businesses are to be forced out of existence come what may? The present tax legislation ensures that if capital transfer tax does not kill them off then the proposed wealth tax will most certainly do so.

If Mr. Bolton's recommendations are to have any real meaning then the Chancellor of the Exchequer must heed the Association of Independent Businesses plea "for special measures to protect the shareholders of independent businesses: from the impact of capital transfer tax and the proposed wealth tax."

Furthermore, if the Chancellor wishes to be really helpful he should devise a scheme which would exempt small businesses from the proposed wealth tax.

W. G. Poeton,
Europe House,
World Trade Centre, E.1.

Options in fuels

From Mr. J. Marshall.

Sir,—Mr. W. C. R. Whalley on jet fuel (March 13) has given some interesting figures for the production of hydrogen by the water-gas process from bituminous coal. The extraction efficiency given by him is 53.8 per cent. and as he says, it is not considering in any country with expensive labour and deep seam coal. When the hydrogen is obtained, it must be carried in cryogenic form, and this is an added cost and weight to the aircraft.

combustion engines. Whether reciprocating or gas turbine, and it may be mixed with gasoline.

At \$11 to \$13 per 35 gallons of crude oil, the cost of producing kerosene, gasoline or diesel is still low, but the penal taxation levied by all European Governments has made these fuels very expensive to the users. As the oil era draws to a close, and the Americans refer to the year 2020 as the "perturbed" year, the cost of extracting fossil fuels will escalate.

Electrolytic production of hydrogen and oxygen from H₂O is efficient provided current is obtainable at the right price; hydro-electric power being ideal, or from wind, solar or tidal, or by balancing the off-peak load from nuclear or fossil fuel power stations. There is possibly another method of producing methanol from limestone, which is an abundant material, but very little seems to have been done about this process. Other fuels which have been used in the IC engine are, acetylene, acetone, producer gas, town gas, methane, butane and propane and the alcohols.

The metal platinum is vital as a catalyst in the production of gasoline, but perhaps fortunately for the West, it is practically indestructible and has an exceedingly long working life once installed in the Refinery. Southern Africa is presently producing 70 per cent. of the world's platinum production. It is possible that the seizure by Russia of all the metals produced by Southern Africa would not prove disastrous to the production of gasoline in Europe, but the effect of losing this copper, chrome, nickel, tungsten and vanadium output would be very serious indeed.

J. W. Marshall,
Elsdon,
Walspole Drive,
Ramsey, Isle of Man.

Too, too simple

From Mr. A. Wood.

Sir,—Would it not have been better for both Britain and the Government, had Labour MPs been able, simply to mark one ballot paper, one to six, in order of preference? Or would that be too easy?

A. R. Wood,
489, London Road,
Dagenham, Northwich,
Cheshire.

Stimulus to export

From Mr. J. Harbot.

Sir,—We read every other day that lack of investment by British industry is a major cause of our economic ills and although this is probably true in many areas I have a strong impression that there is considerable spare production capacity available if our salesmen could produce more orders from abroad.

GENERAL

Second ballot for Labour Party leadership.

Saudi Arabian Ministers hold trade talks with British Government, London.

OECD shipbuilding working party discusses world oil tanker surplus and related over-capacity in shipbuilding, Paris.

Mr. John Methven, director-general of fair trading and director-general designate of CBI, speaks at Advertising Association lunch, Inn on the Park, W.1.

Sir Lindsay Rigg, Lord Mayor of London, attends Masonic Convention dinner, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS

House of Commons: End of two-

To-day's Events

day debate on Green Paper on direct elections to European Assembly.

House of Lords: Second reading of Bill, Freshwater and Salmon Fisheries (Scotland) Bill and Housing (Amendment) (Scotland) Bill. Short debate on NATO.

OFFICIAL STATISTICS

Housing starts, completions and grants (February—provisional).

COMPANY RESULTS

Associated Book Publishers (full year), BSA Group (full year), Crickley Holdings (full year), Exploration Holdings (full year), Eye Holdings (full year), Savoy music by Beethoven, Queen Elizabeth Hotel (full year), Smith and Beth Hall, S.E.1, 7.45 p.m.

Nephew Associated Companies (full year).

COMPANY MEETINGS

Evode, Suffolk, 11. FT Investments, 88, Leadenhall Street, E.C.3, 12. Kellcock, Great Eastern Hotel, E.C.2, Macpherson (Donald), Winchester House, E.C.12, Pentland Investment Trust, Edinburgh, 10.30. Preddige, 14, Holborn, E.C.1.

SECURITIES

English National Opera production of Don Carlos, by Verdi, Coliseum Theatre, W.C.2, 7 p.m.

MUSICAL

Gabriel, String Quartet plays Pye Holdings (full year), Savoy music by Beethoven, Queen Elizabeth Hotel (full year), Smith and Beth Hall, S.E.1, 7.45 p.m.

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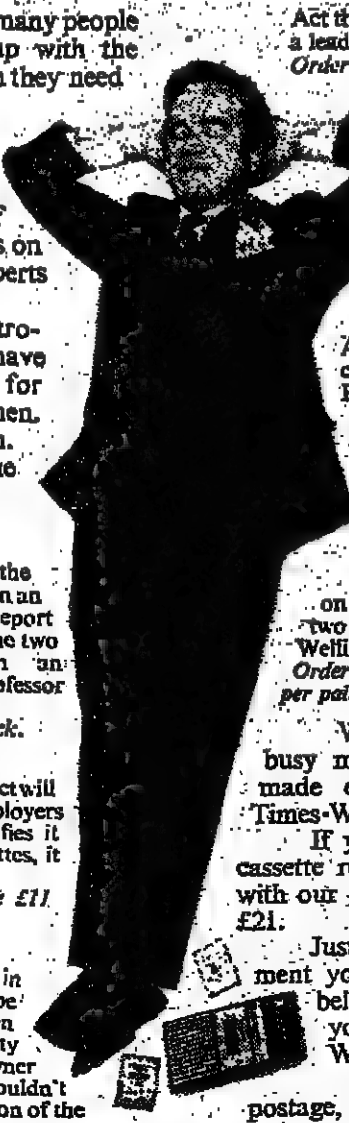
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The Community Land Act

The new principle that in future development will only be allowed on land which has been first bought up by a local authority will obviously affect every landowner or property developer. There couldn't be a more authoritative clarification of the



Act than this talk by Sir Desmond Heap, a leading authority on planning matters. Order ref: C009. Price £5-75.

The Capital Transfer Tax

The two cassettes containing this talk by Professor G. S. A. Wheatcroft have already sold in their thousands. Order ref: C002 & C003. Price £11 per pair.

The Consumer Credit Act

This extensive and difficult Act is explained on these two cassettes with great simplicity by Professor A. L. Diamond. Order ref: C006 & C007. Price £11 per pair.

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COMPANY NEWS + COMMENT

Booker McConnell better than expected

PRE-TAX profits of the Booker McConnell group increased by 16 per cent, to £13.9m, in 1975, with the net attributable balance emerging at £8.1m, compared with £5.8m.

Stated basic earnings per 50p ordinary advanced from 20.64p to 22.2p — the diluted figure rose from 20.08p to 21.24p. A final dividend of 3.36p lifts the year's net total from 5.4p to 5.76p, equivalent to a maximum permitted 8.562p gross against 8.06p.

First half profits were up from £5.8m to £6.9m, and the attributable figure from £1.95m to £2.5m. In February of this year the directors said that, notwithstanding an adverse swing in the results of the Guyana companies, they considered overall group results for 1975 would be comparable with those of 1974.

Sir George Bishop, chairman, attributes the 16 per cent profit increase, achieved in a most difficult year, to the spread of operations, both geographical and functional.

It was earned despite the serious loss in the Guyana Estates resulting from maintenance of the sugar export levy at an unchanged level, and from strikes in Guyana, which led to an adverse swing of £1.66m. Group profits of the traditionally dominant Agricultural Division.

Sir George says the outstanding success of the engineering companies—equity earnings up from £192,000 to £1.8m—is "particularly encouraging."

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although the rate of loss here is expected to diminish. The turnover potential in the group is clearly very large, but last night's news and a passed interim dividend sent the shares 3p lower to 34 1/2p last night, where they lack any obvious support.

Rotaflex down but confident

A REDUCTION from £791,400 to £637,700 in pre-tax profit is reported by Rotaflex (Great Britain) for 1975, following a first half downturn from £429,500 to £284,500.

Chairman, Mr. M. J. E. Frye, says that this relatively small reduction, in the face of reduced demand in all major markets, reflects the success of the drive to improve efficiency and to develop further export markets.

The marked improvement anticipated in the interim statement was realised with profits for the year of £637,700, comparing with £791,400 for the first half.

For the current year indications point to an upturn in demand, particularly in the U.K. and providing this trend continues Mr. Frye says he has every expectation that the year will bring a "significant improvement" in results over 1975.

Earnings last year showed a fall from 2.35p to 1.5p. The dividend is raised by the maximum permitted—from 0.724p to 0.788p net, with a final of 0.3652p.

1975 1974

Sales	5,775,580	5,625,100
Profit	637,700	791,400
Taxation	282,700	494,700
Net profit	355,000	296,700
Dividends	788,000	724,000
Reserves	1,017,600	971,200

Principal activities of the group are the manufacture of electric light fittings and systems, and sanitary and shower appliances.

No interim by Burgess Products

AN INCREASED loss of £134,183, against £27,143, was incurred by Burgess Products Company (Holdings) in the half year to January 31, 1976, after a tax credit of £11,260, against nil.

There is no interim dividend, against 0.88p net per 25p share. The total for the year to July 31, 1975, was 3.3073p from a net attributable profit of £159,264.

The dominant factor is continuing losses associated with fixed price contracts, the directors state.

The group continues to be adversely affected by inflation and the recession, but signs of improvement are beginning to be apparent in some companies, they add.

The company is engaged in acoustical and electrical engineering.

Burgess Products certainly created a rod for its own back when it moved Burgess Industrial Silencers to the North-East in 1973/74. Problems with fixed price contracts, some of which dated from before the move, have pushed the group into increased interim losses (after interest charges of £200,000 or so, following a pre-tax profit of £159,264 in the previous six months. A backlog of orders at Micro-Switch which may explain a 31 per cent increase in turnover, has been replaced by the threat of Post Office cut-backs and fixed-price contracts still remain to be completed at BIS in the second half.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding year	Total for year	Total last year
Barratt Developments int.	1.83	May 28	1.27	—	6.0
Booker McConnell	3.36	July 1	5.76	—	3.4
Burgess Products	0.88	—	0.98	—	3.31
E. C. Cases	0.83	—	1.27	—	1.19
James Fisher	1.3	June 3	1.13	2.48	2.33
Gibbs & Dandy	1.48	—	1.39	1.48	1.39
New Bridge Holdings	3.0(a)	—	2.75	3.0	2.75
Pochin's	0.88	—	0.88	—	2.75
Rotaflex	0.788	—	0.788	—	0.72
Scottish Provident	0.81	—	0.76	0.81	0.76
W. Tyack Sons & Turner	1.23	April 24	1.13	2.48	—

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) Gross throughout.

Utd. Glass in good position

MICROVIC HENDER, managing director of United Glass, said yesterday that the glass container division, by far the largest contributor in the group, could not expect to see any upturn in demand until the end of the year, but he took all our skills to continue to increase profits," he added.

He was discussing the annual report from UG which is jointly owned by Distillers and Owens-Illinois of the U.S.

The report states that, although it is not yet possible to identify any specific growth in demand, the company stands in a particularly good position to take advantage of future market opportunities because of the major investment programme undertaken over the last three years.

As known, UG made pre-tax profits of £3.8m, (£5.5m) in 1975 on sales up from £72.2m to £87.2m. Sales and profits of the glass container division were £28m and £4.7m respectively.

The report shows medium and long-term borrowings up from £5.5m to £11.8m, and says increased borrowing was necessary to finance the capital expenditure programme and continuing inflationary growth of working capital.

Mr. Henderson indicated that capital expenditure should fall by half in the current year as the programme had been completed. Year-end commitments £2.4m (£3m).

The closures and plastics division last year suffered a sudden drop in demand and profits fell sharply. The Ravenhead table glassware division increased sales and profits, while Johnson Radley, the engineering division, showed profits below the 1974 level.

Downturn at James Fisher

TURNOVER of shipowners, ship and insurance brokers, James Fisher and Sons, increased from £5.14m to £6.42m, but pre-tax profit decreased from £750,993 to £647,579 in 1975, after £622,088, against £385,933 at half-way.

Stated earnings per 25p share for the year were down from 18.37p to 15.64p on a net basis and from 20.48p to 18.95p on a nil basis. A final dividend of 1.303p lifts the net total from 2.327p to 2.483p.

Tax charge £49,002 (£70,408) leaving a net profit of £597,577 (£701,590).

Gibbs and Dandy pays more

GROUP PROFIT, before tax, of Gibbs and Dandy, improved from £249,923 to £259,830 in 1975, after a first half downturn from £127,833 to £99,328. Turnover for the year advanced from £5.78m to £6.71m, taking £134,180 (£128,099), and earnings per 10p ordinary were 3.04p against 2.52p. The dividend is raised from 1.888p to 1.481p net.

The business is that of builders' merchants and ironmongers.

Silentbloc proposals defeated

The result of two poll votes taken at the annual and extraordinary meetings of Silentbloc Holdings have both gone against the Board. This was expected since BTR let it be known that it would use its 37 per cent holding to vote against.

On a resolution to adopt new Articles, there were 1,791,762 votes in favour and 2,619,033 against. The extraordinary meeting was called specifically to approve the new Articles which would have given the directors stronger powers.

On the re-election of chairman, Mr. C. F. Whitehorn, the voting showed 1,883,453 in favour and 2,600,982 opposed. In both cases BTR cast its 3,583,000 shares in opposition.

A statement issued by Silentbloc said the company would continue to be covered by its existing Articles. It also said the company had been advised by legal counsel that under the existing Articles a director retiring by rotation is deemed to be re-elected irrespective of the result of the vote "unless a new director was elected in his place or a resolution was passed not to fill up the vacant office. Therefore Mr. Whitehorn remains a director, "unless he decides to resign."

BTR said last night it lodged its vote in opposition to the re-election of Mr. Whitehorn "as a protest against the new Articles" and that it wanted to "emphasise to the Board that its objections were serious, real and justified."

The chairman went on to stress that this was not a personal attack on Mr. Whitehorn but that BTR would have used its vote against whichever director had been coming up for re-election.

He added, "It was not the intention of BTR to get Mr. Whitehorn out, otherwise we would have presented an alternative director for election."

Westinghouse confident of improvement

MR. L. E. THOMPSON, chairman of Westinghouse Brake and Signal, told yesterday's annual meeting that, in spite of the uncertainties, he was confident the current year would show an improvement over last year's performance.

Mr. Thompson said the group had started the current year "reasonably well" but while there was a high outstanding order book, there was a continuation of the depressed markets in the electrical area.

As regards the future two major uncertainties lay ahead, he added. Firstly the timing of orders expected to be received for the group company in Australia, where delays were being experienced arising from the recent change in Government; and secondly, at home the level and phasing of British Rail's capital investment programme currently under consideration by the Government.

ISSUE NEWS

W. SOMERSET RLY.
The prospectus is available in connection with the share offer in West Somerset Railway Company of up to 650,000 Ordinary 10p shares at 10p per share. The directors believe there is a good possibility of the railway operating at a profit.

There are despite the tentative conditions of forecasting, some profit estimates embodied in the prospectus. The surplus before taxation and depreciation is indicated at £11,000 for the year ending July 1976, £3,000 to July 1977 and £21,000 to July 1978.

It is not expected that any dividend will be paid in respect of the three years ending July 31, 1978, and the directors cannot give any reliable forecasts as to when dividends may be paid.

TREASURY STOCK
The prospectus is published today relating to the 85 per cent Treasury Stock dated 1981, raising £500m, at 93.50 per cent. Interest will be payable half-yearly on April 1 and October 1 and the stock will be repaid at par on April 1, 1981.

Prospectus Page 14

RIGHTS RESULTS
Crown House's rights to raise £1m on the basis of one-for-five at 21p has been taken up as to just over 4.45m shares and the balance of 468,000 shares has been sold in the market. Net premium will be distributed to entitled holders except that no payment will be made for less than £1.

James H. Dennis and Company's rights to raise £140,000 on the basis of one-for-four at 30p has been taken up as to 93.38 per cent. The balance was sold at a premium and will be distributed to entitled shareholders.

External Investment Trust's rights to raise £142m in 7 per cent convertible unsecured loan stock was taken up as to £128m. Excess applications were received for £264,338—applications for up to £10,000 will be allotted in full (£20,733) while the remainder (£1 funds managed or advised by subsidiaries of the M and G Group—received the balance or about 58.5 per cent of the amount applied for.

BIDS AND DEALS

£0.6m. Thorn bid for Stanwood

Thorn Electrical Industries is making a £600,000 takeover offer for the electrical retailing and TV rental group Stanwood Radio. The offer of 15p per share is in cash and compares with a price of 9 1/2p last Friday night; the price ended 3 1/2p higher yesterday at 15p.

The shares have been as low as 5p this year, compared with a peak in 1975-76 of 26p. The nadir came earlier this month when the group announced that a trading loss of £9.9m. was expected for 1975, having incurred a pre-tax loss of £105,000 at the half way stage. It was announced then that management had been reinforced by the appointment of Mr. J. Spindlow, chairman of John M. Newton.

The crucial holding in Stanwood is in the hands of Electronic Rentals which has a stake of around 23 per cent. Electronic, which has written down its holding in its own accounts, is said to be reviewing its position and is considering the Thorn offer.

The company would not be drawn on whether it would consider making a takeover bid on its own account; its interests would be more likely to centre on the TV rental side of the business, and not the retail interests.

33p per s bid for William I

Birmingham, an overseas subsidiary of private security firm, is offering 33p per share for the textile group William I. The offer follows a £1 of £200,000 Red share holding to 11.54 p, triggering the obligation of the City of London. Red shares 33p last night, on the London Stock Exchange, and formerly a subsidiary, and General Security absorbed into Ferguson last September. A £1 market to retain the quotation.

He added that he had the Board of William I. in relation to the £1 of the intended bid standing; Red shares under to take no stage.

The Board of William I. in relation to the £1 of the intended bid standing; Red shares under to take no stage.

Intnl. Bank-Wolfson deal

Sir Isaac Wolfson's family interests have acquired 100 per cent control of Security Trust, a small Birmingham-based financial company, on undisclosed terms.

Security Trust was set up in 1965 as a 50/50 partnership between the Wolfson interests and International Bank of London and the City of London. It was announced yesterday that the Wolfson interests had acquired the International stake in the company, though no further details were available.

Security Trust, with offices in Birmingham and Walsall, concentrates on personal banking business and at the end of last year had a total balance sheet of £7.5m and produced pre-tax profits of £145,000. It is expected to carry on with the same kind of business.

A year ago Sir Isaac's family trust let their main banking business, Anglo-Portuguese Bank, to Norwich Union for some £12m. Security Trust, formerly held through Anglo-Portuguese, then reverted to direct ownership of the family. Directors of Security Trust include Mr. Peter Duce, a general manager of Anglo-Portuguese, together with Sir Isaac's sons, Mr. Thompson and Mr. Anthony Holman.

ASSOCIATES DEALS

Canover has bought £30,000 Euro Wine at 182p on behalf of Thomas Hardy Pty.

W. Greenwell on behalf of Mr. G. J. Suckling, a director of East Sussex, has bought 100,000 East Sussex at 30p.

S. G. Warburg sold for an association 1,917 Manure and Gorton at 125p and bought £2,700 7p Convertible Unsecured Loan stock 1988-89 at 88p.


L. Messel sold for associates of Trafalgar House, 3,970 Trafalgar at an average of 98p.

ROSGILL SUPASAVE

Rosgill Holdings has agreed in principle to sell the capital of its wholly owned subsidiary, Moneybags to Supasave Group. Moneybags sells food and groceries by self-service discount stores.

Terms are that Supasave purchase the capital of Moneybags for the nominal sum of £1, and that Rosgill should guarantee the net shareholders' funds of Moneybags as at April 3, 1976, at £118,000.

As known, Moneybags incurred a loss, before tax, of £234,000 in the 28 weeks to December 13, 1975 (profit 1974 £143,000). The disposal will strengthen the group by eliminating the continuing 1,2868p a share—in losses and drain on cash resources, permitted.



SCOTTISH PROVIDENT

Outstanding Results—Strong competitive position

Points from the Statement by the Chairman, Mr. M. D. Pentland, C.A.

Economic situation

The economic situation in the United Kingdom and elsewhere at the end of 1975 was in many respects more encouraging than one year before, but formidable problems remain. It is a time for steady nerves—a time for the Chancellor to pursue policies which may not be immediately popular, but which offer some hope of alleviating our problems and do not pretend to offer solutions at the expense of more intractable unemployment in the future and of still more erosion of the savings of men and women whose reasonable aim is to make provision for themselves and their families and in so doing to assist their country to be prosperous.

Position of life offices

The life assurance offices are ready, as they always have been, to make funds available to industry for soundly-conceived projects, but we remain conscious that we are in effect the trustees of our policyholders' savings. Our first duty therefore is to ensure that our funds are invested so as to secure the maximum benefit for our policyholders consistent with security, and we are encouraged to note that this obligation is well recognised by the present U.K. Government, as by all its predecessors.

Occupational pensions

Although the control of inflation is essential to the future wellbeing of our society, we were disappointed when the U.K. Government decided that occupational pension schemes must be brought within the ambit of their counter-inflation measures. Occupational schemes are a major source of long-term savings and the stimulation of such savings is a powerful weapon in the battle against inflation. I would urge the Government at least to modify the restrictions on occupational pension schemes as part of the next stage of their measures to control inflation.

Increase in bonuses

Last year the depressed level of security values caused the board to make a moderate reduction in the rates of special "claims" bonus payable when certain older life assurance policies become claims by death or maturity. I am glad to say that the improvement in financial conditions generally has enabled us to restore the scale of these special bonuses to the

previous level in respect of such policies becoming claims on or after 1st January 1976. Also, maturity bonuses on currently vesting pensions for the self-employed have been appreciably improved.

New business again a record

We have become accustomed to announcing record new business figures and 1975 lived up to the best traditions of its predecessors. New annual premiums at £5.8 million represented an increase of 45% over the 1974 figure. New sums assured increased by 37% to over £352 million, and new annuities by 74% to £26.7 million per annum. There was again a reduction in new single premiums—a common experience these days.

Major growth contributors

Two factors which made a major contribution to these results are firstly, growth in pensions business of all kinds and secondly, a continued strong demand for family income policies, providing a high amount of initial life assurance cover for a relatively low premium—a very necessary contract indeed for those with family responsibilities. Our with-profit pensions for the self-employed continue to find increasing support in the market and we are confident that the increased rates of bonus will still further enhance our strong competitive position.

Progress

New sums assured

1975	£352.9m
1974	£256.8m
1973	£224.7m
1972	£198.9m

The Edinburgh and Dundee Investment Company Limited

Summary of Results

	Year to 31st Jan. 1976	Year to 31st Jan. 1975
Total Net Assets at Market Value	£80,143,216	£53,344,1
Ordinary Stock Units:		
Asset Value	188.0p	107.3p
Earnings	2.99p	3.13p
Dividend	2.89p	2.70p
Geographical Distribution of Investments		
Equities: United Kingdom	28.2	34.3
United States	39.5	42.6
Japan	6.0	3.5
Edrope	1.9	3.5
Australia	4.3	3.6
Other Countries	4.4	3.4
Total Equities	84.3	90.9
Fixed Interest Stocks	12.6	3.7
Deposits	3.1	5.4

Summary of Statement by the Chairman, Mr. G. T. Chiene.

- Earnings are slightly down on last year but we expect to earn rather more in the current year. An increase in the dividend from 2.70p to 2.89p is recommended.
- The rise of 67% in the asset value per share is less than the rise of 69% in the U.K. market due to smaller rises in foreign stockmarkets where we have substantial investments. Over the last two years however, we have done rather better than the U.K. index.
- During the year we became increasingly concerned that U.K. equities were becoming overvalued particularly in relation to Government Stocks. At the year end 1.3% of funds was invested in Government Stocks compared with 1.9% last year.
- The outlook for the U.K. economy improving but serious difficulties re the future progress of the economy depend largely on a reasonable agreement on wages and salaries and on the resolution with which the Government pressures for premature reflation.
- In the United States, and in some countries, greater progress has been in dealing with the twin evils of inflation and recession. At the year end 40% of our assets were invested in U.S. equities, 23% in U.K. equities and 17% in overseas equities. The balance of was held in U.K. fixed interest stocks.

Copies of the Annual Report may be obtained from: Baillie, Gifford & Co., 3 Glenfinlay Street, Edinburgh, EH2 6TY.

Copies of the Report & Accounts are available on request from the Head Office, The Scottish Provident Institution, 5 St. Andrew Square, Edinburgh EH2 2YA.

Growth for Gallaher's non-tobacco interests

ALTHOUGH FOR many years to come the Gallaher group will be dependent on profits from its tobacco operations, the non-tobacco business total expected to show real growth and they will be encouraged to continue their expansion and to search for new fields for their products and services.

Chairman Mr. A. W. H. Stewart-Moore explains in his annual statement that the increased group result in 1975 was made possible by contributions by businesses acquired and built up over the last few years.

In order to achieve anything like satisfactory results in 1976, real economies will have to be made, as well as increases in turnover, especially in the domestic tobacco market.

The chairman reports that the U.K. is by far the group's most important tobacco market, and Gallaher will do well to retain its share here in the face of increasing competition from overseas and from the EEC.

However, he points out that the group has already shown its ability to compete, both in Eire and in the Netherlands, where there are now successful manufacturing companies and also in the direct export market where good progress is being made.

In 1975 increases in these areas went some way to make up for the loss of sales on a home market restricted by heavy duty increases and health warnings. Certainly in the future "we will be looking at the sales of our tobacco products and not only at sales in the U.K.", stresses the chairman.

As reported, group pre-tax profit increased from £23.4m. to £26.4m. in 1975 and the balance attributable to the ordinary shareholders emerged at £21.0m. (£17.4m.).

With tobacco duty increases restricting the division's growth to about the same level as 1974, the chairman considers the group's 9 per cent advance in net income as "reasonably satisfactory".

This improvement, however, is a little comparison with a national inflation rate of well over 20 per cent. It means the group is not generating nearly enough resources to meet demands for working capital requirements when trade improves. "Until this happens growth of our businesses and the creation of new jobs will have severe restrictions," warns the chairman.

Purchase of loan stocks for cancellation last year gave rise to a surplus of £4.5m.

The company is controlled by American Brands of the U.S.

Chairman's statement Page 24

W. Tyzack Sons & Turner

WHILE TRADING turnover for the six months to January 31, 1976, of W. Tyzack Sons and Turner is up 28.36 per cent. at £16.9m. pre-tax profit is down by £14,966 to £13,914.

The reduction was necessary to enable the company to comply with the requirements, legitimate price increases to customers had to be. However, price reviews have now been implemented which

together with the encouraging order book—should show an acceptable return, they add.

The interim dividend stepped up from 1.55p to 1.25p net per 25p share. Last year's total was 2.46p from £400,254 profit.

The company manufactures agricultural and engineering components and hand tools.

The directors state:

Net sales 1,500,000 1,200,000
Profit before tax 113,914 100,000
Taxation 20,000 15,000
Preference dividend 1,250 1,250
Attributable ordinary shareholders 92,664 83,750
Retained 21,250 17,250

Net assets 1,500,000 1,200,000

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Barratt Developm't upturn

FIRST-HALF (to December 31, 1975) turnover of Barratt Developments increased from £16.8m. to £33.28m. and pre-tax profit advanced from £2.53m. to £4.26m. The company has recently acquired H. C. Jones.

Profit before tax of £4.26m. for the six months was £1,235,000 on a turnover of £7,053,000. The results are considered "very satisfactory" and have been achieved by a combination of increased market penetration in existing areas of operation and expansion into new geographical areas, the directors state.

All sectors of the Barratt group made good progress but the most significant feature was a substantial increase in the number of houses completed and sold over the corresponding period last year.

The interim dividend is lifted from 1.275p to 1.327p net per 10p share. Last year's total was 6p from profits of £5.96m.

Turnover 1975 1974
Profit on trading 4,260 2,530
Profit on sales 4,260 2,530
Pre-tax profit 4,260 2,530
Taxation 1,235 797
Attributable 3,025 1,733
Interim dividend 1,327 1,275
Including special dividend 1,327 1,275

The directors say they consider that, having regard to the overall and other facilities available, Barratt and its subsidiaries have sufficient working capital for present requirements.

The forward sales position for new houses is extremely strong, the contracting order book is at record levels and the commercial development programme is continuing to make satisfactory progress.

The rapidly increasing geographical spread has been enhanced by the acquisition of Jones and with the bank's support, it has increased since July the group is "well placed to maintain growth."

Statement Page 25

See Lex

Stone-Platt

spending

Mr. F. C. Hawkins, chairman of Stone-Platt Industries, tells members that the level of future investment will be determined by the group's success in keeping the rate of profit increase ahead of the rate of inflation, and by the Government's policy.

During the past five years almost £18m. has been spent on capital equipment for plants at home and overseas. In 1975 expenditure totalled £3.1m. significant investments being made in the U.K. and it is intended to continue to invest in new plant whenever this can show an economic return.

At the year end expenditure committed amounted to £1.3m. (£1.0m.) and there was a further £1.3m. (£1.1m.) authorised.

The chairman says that during the year the financial position remained satisfactory. At December 29 cash and short-term investments totalled £2.3m. and total borrowings were £19.8m. to give borrowings to equity ratios of 14 per cent. gross of cash and 24 per cent. net of cash. Progress was made in improving working capital efficiency.

U.K. borrowing facilities were increased in order to ensure adequate resources to finance peak working capital and other requirements. The spread now available between short, medium and long-term facilities is considered adequate for foreseeable needs.

As reported group pre-tax profit increased from £8m. to £11.4m. in 1975 and the net dividend is raised from 2.75p to 2.94p.

Exports from the U.K. in 1975 at £66.6m. were 66 per cent. higher than in 1974 and represented 66 per cent. of total sales of U.K. plants.

A professional revaluation of major land and buildings in U.K. and the U.S. at December 31, 1975 on an existing use basis exceeded net book value by some £10.6m.

The surplus will not be reflected in the balance sheet pending clarification of recommended accounting practices for adjusting accounts for inflation.

Meeting, Grosvenor House, W. April 27, at noon.

Chairman's statement Page 12

GREENWOOD & BATLEY

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UNION CORPORATION LTD.

The Chairman, Mr. E. Pavitt, reports to shareholders

Against a background of high inflation and lower metal prices, the consolidated profit after taxation of R34,864,000 represents a reasonably satisfactory result when compared with the 1974 record figure. In particular dividend income was only 3 per cent lower and in view of this the Board declared unchanged dividends of 42 cents per share.

GOLD

The rapid rate of increase in the gold price between 1972 and 1974 could not be maintained and in 1975 a series of events contributed to a fall. The uncertainty surrounding the sale of IMF gold and the consequent depressing effect on the price is likely to continue until the first few auctions have been held and it has been possible to gauge the full effect of the sales.

In the last few years considerable improvements have been made in wages and salaries of skilled and unskilled workers on the mines. These are reflected in substantially increased operating costs but have not resulted in any material increase in productivity. We hope that in time a higher proportion of local recruits will provide a permanent and more efficient work force and a nucleus of trained black workers.

However, this calls for a higher level of education and technical training than exists at present.

PLATINUM

The reduced level of industrial demand for platinum group metals during 1975 resulted in lower sales by Impala Platinum and also lower prices. Impala has now completed its major capital expenditure programme and, in spite of continuing difficult market conditions, we can reasonably expect it to be able to improve dividend distributions in 1976 while at the same time reducing its borrowings at a satisfactory rate.

NEW BUSINESS

A decision in principle was made to proceed with the Richards Bay heavy minerals project, a beach sand mining and conversion operation (in which the Corporation has a 30 per cent interest) at an estimated cost, allowing for inflation, of R250,000,000. Loans amounting to some R150,000,000 are presently being negotiated.

In addition to being responsible (in conjunction with its partners) for the satisfactory development of the project, the Corporation's commitment to this venture will be some R30,000

We are pleased to announce that

Christopher Wysock-Wright

has joined our firm as an Executive Director

197 Knightsbridge
London SW7 1RB
England

Russell Reynolds Associates, Inc.

Executive Recruiting Consultants

245 Park Avenue, New York, New York 10017

NEW YORK

CHICAGO

LONDON

LOS ANGELES

GALLAHER 1975

Statement by the chairman,
Mr Hume Stewart-Moore



Mr. Hume Stewart-Moore, Chairman Gallaher Ltd.

Before reviewing the progress and performance of the Gallaher Group in 1975, I would first like to pay tribute to my predecessor, Mark Norman, who retired on 23rd April, 1975, having been a Director since 1948 and Chairman since 1963. We owe him much for his wise leadership during a long period which saw many great changes.

Trading Results

The domestic tobacco division still accounts for the major part of our turnover and profits, but the increase in tobacco duty of 36% in April, 1975, which followed the 33% increase in April, 1974, restricted the profits of the division to approximately the same level as last year. In these circumstances the performance of the Group in achieving an increase of 9% in net income must be considered reasonably satisfactory. This was made possible by the contributions of the businesses acquired and built up over the last few years, all of which increased their profits in 1975. But in order to achieve anything like satisfactory results in 1976, real economies will have to be made, as well as increases in turnover, especially in the domestic tobacco business.

We have to recognise, moreover, that an increase of 9% in net profit bears little comparison with a national inflation rate of well over 20%. It means that we are not generating nearly enough resources to meet the demands for additional working capital that can be expected when trade at home and overseas improves, and until this happens the growth of our businesses and the creation of new jobs will be severely restricted.

SUMMARY OF RESULTS 1975

Group Sales	£932,380,000
Profit before Tax	£36,442,000
Tax	£18,582,000
Ordinary Dividends	£8,718,000
Profit retained	£12,380,000
Net Assets	£250,585,000

Tobacco - domestic

Our cigarette sales were down by 9% but in a declining market the KENTILAS range improved its share and SILK CUT maintained its dominant position in the "Mild" sector. In the "King Size" sector BENSON & HEDGES SPECIAL FILTER continued to outsell all other brands combined.

The home-manufactured cigar market increased, with HAMLET maintaining strong progress. BENSON & HEDGES SPECIAL PANATELLAS and SMALL CIGARS and SENATOR also did well.

The pipe tobacco market declined overall but our own brands, particularly BENSON & HEDGES MELLOW VIRGINIA and CONDOR again increased their market share, as did OLD HOLBORN in the hand rolling sector.

Tobacco - overseas

In November, 1975, the Netherlands Government published its first tar and nicotine tables showing NIEMEYER'S ROXY DUAL FILTER, EVEREST and KELLY to be the leading low tar brands. Low tar sales accelerated and NIEMEYER'S brands have gained a significant share of the total market. NIEMEYER also did well in the pipe and hand rolling tobacco markets.

57% of RITMEESTER cigar production is exported from the Netherlands and RITMEESTER had an increased share of the United Kingdom cigar market in 1975. In the Netherlands there was progress in both volume and market share by the year end.

Export of our United Kingdom brands of cigarettes, cigars and tobacco showed an encouraging increase, particularly SILK CUT and OLD HOLBORN, and in the Irish Republic GALLAHER (DUBLIN) achieved major gains in all sectors of the market.

Engineering

Despite recession at home and overseas, the MONO PUMPS and SAUNDERS VALVE businesses had a very satisfactory year and showed further improvement in sales and profits. Export figures showed substantial increases and new overseas markets and enterprises are constantly being investigated and developed.

Optical

While 1974 had been a year of consolidation for the DOLLOND & AITCHISON GROUP, results in 1975 were very encouraging, with increases in both turnover and profit. Towards the end of the year, our overseas optical interests began to reflect the benefits of organisation and expansion, and all concerned, both at home and overseas, must be congratulated on their excellent performance.

Distribution

FORBUOYS, with its chain of confectionery, tobacco and newsagents shops, carried out a programme of branch rationalisation during the year and achieved excellent results despite rapidly escalating costs.

At the beginning of 1975, WARRINER & MASON acquired 21 additional "Cash and

Carry" and five "Delivered Trade" depots. Profit performance was less than anticipated, being hampered by the need to re-organise the new branches and by sluggish demand and keen price competition. However, the "Cash and Carry" depots of TOBACCO SALES in Northern Ireland continued to produce good results.

People

The Group's performance in 1975 in all Divisions reflects great credit on each and all of our 28,000 people at home and overseas. I take this opportunity, in my first year as Chairman, of expressing my appreciation of the great efforts that were made, and I look forward to continued success and all-round progress again in 1976, with increasing participation by all our people.

There have been other changes in the Board. On 31st January, 1976, Hilary Glynn, who joined the Board in 1962, relinquished his appointment as Joint Managing Director on retirement. He had served the Company for nearly 39 years and his considerable experience and knowledge, particularly of the tobacco industry, provide a challenge to those who follow him. Mark Maunsell retired at the end of 1975 and we are grateful for all he has done, particularly in our distributive businesses.

We welcome to the Board, Graeme Buckingham and Christopher Morgan, who became Executive Directors on 23rd April, 1975. As senior managers they both made outstanding contributions to the Company.

Outlook

For many years to come the Group will be dependent on profits from its tobacco operations. The United Kingdom is by far our most important market and we will do well to hold our share here in the face of increasing competition from overseas and from the E.E.C. On the other hand, we have already shown our ability to compete, both in the Republic of Ireland and in the Netherlands, where we now have successful manufacturing companies, and also in the direct export market, where we are making good progress. In 1975, increases in these areas went some way to making up the loss of sales on a home market restricted by heavy duty increases as well as by warnings from the health authorities. Certainly in future we will be looking at our total sales of tobacco products and not only at sales in the United Kingdom.

Our non-tobacco businesses are all in the hands of able and dedicated management. They are operating in areas where we can expect to see real growth, and we shall encourage them to continue their expansion and to search for new fields for their products and services.

SUMMARY OF ACTIVITIES

	£000s			
	Sales		Profit	
	1975	1974	1975	1974
Tobacco-Domestic	654,260	538,287	28,514	28,262
Tobacco-Overseas	88,839	65,583	2,954	1,322
Engineering	44,084	35,001	5,537	5,023
Optical and associated activities	24,059	16,254	4,277	2,807
Distribution	121,138	68,909	2,590	1,830
	932,380	724,044	43,882	39,344

The divisional figures for sales and profits in respect of Tobacco-Domestic and Distribution for 1974 have been reclassified. The 1974 figures include only nine months results in Tobacco-Overseas for Theodoros Niemeijer B.V. and in Distribution for Forbuoys Limited.

R-R Motors' long term confidence

THE CURRENT YEAR for Rolls-Royce Motors Holdings opened on a somewhat subdued note, says the chairman, Mr. I. J. Fraser. Car sales are continuing adequately throughout the world; there are grounds to believe that prospects for the car industry everywhere are now starting to improve. But the directors will not be convinced of this before a few more months have passed.

In the diesel engine business, domestic demand is slack. Further ahead, however, the prospects look brighter as some longer-range developments in both the car and the diesel engine fields start to ripen. Capital expenditure, including the final instalment on the purchase of the Crawley factory (freehold, during 1975 amounted to £3m, which exceeded historic depreciation by £1.5m. Current authorities amount to £3.5m. Mr. Fraser points out, however, that the balance-sheet figures do not tell the full story since a part of expansion in military diesel engines is financed by Governmental customers upon terms which leave with the com-

pany an acceptably small measure of risk.

In this sense, therefore, the Board is pushing ahead with an "anti-cyclical" investment programme in the confidence that by the time it is completed the market will be able to take the extra production.

This policy will mean consuming capital, "perhaps a great deal of capital, over the years and decades to come." The responsibility of the Board will be to see to it that the providers of further capital are properly remunerated.

As known, group pre-tax profit increased from £4.96m. to £5.70m. in 1975—a year regarded as one in which the policy of concentrating on developing export markets and on the two product categories, cars and diesel engines, which bear the Rolls-Royce name, has started to pay off. Direct export increased by more than 30 per cent.

A recalculation on a global basis of what results would have been had certain of the principles outlined in the report of the Savills lands committee on inflation accounting been adopted shows (1960s omitted): profit before tax and after interest per account

based on historical cost £3,788; less cost of sales adjustment in relation to stock consumed during 1975 ("holding profit") £5,200; less additional depreciation on assessment of current value of fixed assets £730; add current purchasing power adjustment to net monetary assets less liabilities £3,200; net profit before tax as adjusted £3,038. It is estimated that current value to the business of fixed assets being depreciated is approximately £2.5m. more than current book value.

The advent of inflation accounting will if inflation continues at anything like the present levels, cause all manufacturing companies to revise their dividend policies, says the chairman. Accordingly, it was thought prudent to recommend the same level of dividend as in the past two years—3.5 net—until the future can be seen more clearly.

During the year, whereas the figure for stocks and work-in-progress increased by £7.5m. to £35.1m., net bank overdrafts and loans were reduced by £4m. of which £2.1m. was accounted for by proceeds of the rights issue.

Meeting, The Churchill Hotel, Portman Square, W., April 22, noon.

H.A.T. SETTLEMENT

H.A.T. Group has issued to the vendors of Geoffrey Collins 50,000 10p Ordinary shares in satisfaction of the balance of the purchase consideration for the latter company. Collins was acquired in November, 1975.

MINING NEWS

Present dullness will pass, says Amgold

BY KENNETH MARSTON, MINING EDITOR

SUMMING-UP the pros and cons of the situation in gold Mr. J. Ogilvie Thompson, chairman of South Africa's Anglo American Gold Investment, says that "I have every confidence that the present depressed mood will pass and that the future of gold is well assured."

He comments that it is not in the interests of the International Monetary Fund, central banks and the Third World to depress the bullion price unduly. And the international economic and inflationary situation points to a growing fear use of the metal, he adds.

When allowance is made for the devaluation of the South African rand last September, the current gold price of around \$130 per ounce means that the mines are receiving much the same in rands for their product as they did last year when the price averaged \$161.30. But costs are continuing to rise and Mr. Ogilvie Thompson says that this may result in a move to mining the better grade ores.

Meanwhile, there is scope for higher production now that the supply of labour has recovered to almost full capacity. He also mentions the increased importance of by-product uranium, adding that the Anglo American group's Orange Free State complex has already concluded sales of much of its planned uranium and acid production for some years ahead.

"We can look forward to very satisfactory dividend income for Amgold," he concludes. Even so, Amgold's revenue this year seems unlikely to match that of 1975 although the 260 cent (155p) dividend rate looks to be safe enough. The investment company's net assets at March 12 equalled £38.10 (£22.78) per share, the latter being £20.75 in London yesterday.

PANCONTINENTAL SHARE OPTIONS

Australia's Pancontinental which, along with Getty Oil of the U.S., has proved what is claimed to be the world's largest uranium source at Jabiluka in the Northern Territory and which is now awaiting Federal Government approval to start production and tie-up contracts, says that at December 31 there were 1,195,113 options outstanding on the company's shares of which 506,813 were at 35 cents (15.24p) and expired on March 15.

The remaining exercise prices range from \$1.38 (54p) a share to \$8.57 (£4.07) a share and expire between September 26, 1977, and September 18, 1978. The company also announced a net loss of \$42,800 (£28,000) for the half-year to December compared with a

Union Corpn.

THE South African Union Corporation group intends to find the \$300m. (£18m.) finance for its share of the R500m. (£148m.) Richards Bay heavy minerals project in Natal from its own resources augmented, if necessary, by loans.

Mr. E. Pavitt, the group's chairman, adds that the financial commitment will be spread over three years, the time needed to complete the project. Its other partners are Canada's Quebec Iron and Titanium Corporation (an offshoot of Kennecott) and South Africa's Industrial Development Corporation.

He also comments on the improvement in the supply of black labour to the South African mining industry which now has some 88 per cent of its underground requirements. As suggested in these columns, Union Corporation expects to earn more from platinum in the current year as while gold dividends will be less (unless there is a sharp recovery in the bullion price) with the result that overall dividend income will not match that of 1975. The shares were 290p yesterday.

SET FAIR FOR GRIQUALAND

A further improvement in the surplus of net earnings available for dividends is forecast for 1976 by Mr. C. H. Walters, chairman of Griqualand Exploration and Finance, the General Mining group's South African asbestos producer.

He adds that contracts for the current year have been concluded at higher prices than those for 1975 and the benefits of the rand devaluation last September should have a favourable influence on income although the latter will also contribute to increased costs. Last year, the company benefited from a world shortage of asbestos production caused by labour problems in Canada and two mining disasters. The chairman adds that there has also been an increase in demand for all types of asbestos in the past two years, that previously untapped markets were successfully penetrated and that the strong demand will continue this year at favourable prices. Griqualand was 550p yesterday.

W. RAND CONS. IN URANIUM AGAIN

The General Mining group's

West Rand Consolidated gold mine says that uranium production, which caused in the last quarter of 1974 to recommence with a full production milling rate of 70,000 tonnes of ore a month being attained by the second quarter of the current year. West Rand Cons. were 100p yesterday.

CRA still in hard times

LITTLE recovery is expected this year in earnings of the Rio Tinto-Zinc group's Conzinc Riotinto of Australia, reports our Sydney correspondent. In his statement with the CRA annual report Mr. Rod Carnegie comments that although the worst of the downturn in metal prices may have passed, recovery for the Australian mining industry will take hard work.

But the established operations provide a strong base for the more substantial upturn expected in 1977, he adds. CRA's Hail Creek and Blair Athol coal projects and the Hamersley iron ore beneficiation proposal are "fundamentally sound" but they must compete in world terms, if they are to be financed and shareholders sufficiently rewarded to take the risks involved.

CRA's capital spending this year is expected to be close to the \$103m. (\$67m.) spent last year but it will be concentrated on improving the cost-effectiveness of existing operations. The shares were 355p yesterday.

WEISHAUPT IN SCOTLAND

Sales and service of Weishaupit oil, gas and dual fuel burners are to be intensified in Scotland with the appointment of a Scottish agent, Blairs Service Engineers, Glasgow. Weishaupit (UK) of Willenhall, Staffs, is a subsidiary of Max Weishaupit GmbH, West Germany.

HAWKINS CHANGES YEAR END

Hawkins Developments has announced that the 12 months accounting period to end 1975 is to be extended to cover 18 months ending June 30, 1976. After a Board meeting on April 5 results for the 12 months to end 1975 will be announced as interim results.

WINDING-UP ORDERS

Orders for the compulsory winding-up of 61 companies were made by Mr. Justice Brightman in the High Court yesterday.



English Property Corporation Limited

A leading international property investment and development group active in the United Kingdom, Canada, the United States, Belgium and France.

Extracts from the annual statement of the Chairman, Sir Brian Mountain, Bt.

Investment property values independently reviewed

"After a valuation by your directors and a review by independent valuers, in the directors' opinion, the aggregate value of the group's interest in completed investment properties continues to be fairly stated in the balance sheet."

Development properties—no provision currently considered necessary

"A review of our development properties has shown that there might be a reduction in value of the group's interest on completion of some £12 million. In view of what must of necessity be an interim assessment, the directors do not consider that any provision is appropriate at this stage."

Current worldwide letting experience satisfactory

"Our lettings worldwide have held up most satisfactorily. The overall vacancies within the completed investment portfolio are minimal and while there are a few disappointing local situations within the development programme, the general picture is very healthy. Even in these sensitive areas there are distinct signs of growing confidence leading to improved letting activity."

Substantial reduction in short term borrowings

"Substantial progress has been made in improving the company's debt structure."

"If one eliminates currency fluctuations... short term debt fell from £85 million to £61 million. Of this £61 million, only £29 million is the liability of the parent group... and this figure has been further reduced since the year end to £22 million."

Capital and income growth objective

"It is our ultimate objective to provide an investment which is diversified as to currencies and types of property and which exposes the shareholder to a minimum of risk while providing good opportunities for growth of both capital and income."

Copies of the annual report for the year ended 31st October, 1975 may be obtained from the Secretary.

English Property Corporation Limited

16 Grosvenor Street London W1X 0DX Tel: 01-499 0444
Telex: ENGPOR LON 24906 Cables: ENGPOR LONDON W1

Barratt

Developments Limited

INTERIM STATEMENT
Barratt Building Nationwide

The Barratt Group again reports increased profits allied to continued expansion of its activities. All sectors of the Group made good progress during the six months ended 31st December, 1975 but the most significant feature was a substantial increase in the number of houses completed and sold over the corresponding period last year.

The following are the unaudited results of the Group incorporating H. C. Jones Limited, control of which was recently acquired.

	Half year ended 31st Dec. 1975	Half year ended 31st Dec. 1974
Turnover	2,000	1,000
	35,200	16,600
Net Profit:		
On trading, including rental income	4,234	2,146
On land sales	34	470
	4,268	2,616
Taxation	2,227	1,373
	2,041	1,243
Pre-acquisition profit of H. C. Jones Ltd.	82	—
Profit attributable to the Group	1,969	1,243
Interim dividend	492	179
	1,477	1,064

The net profit before tax of H. C. Jones Limited for the six months to 31st December 1975 was £1,235,000 on a turnover of 7,785,000. These results are considered very satisfactory and have been achieved by a combination of increased market penetration in existing areas of operation and expansion into new geographical areas.

In compliance with The Stock Exchange requirements consequent upon the successful bid for H. C. Jones Limited the directors state they are of the opinion that, having regard to the overdrift and other facilities available, Barratt and its subsidiaries have sufficient working capital for their present requirements.

The forward sales position for the Group's new houses is extremely strong, the contracting order book is at record levels and the commercial development programme is continuing to make satisfactory progress. The rapidly increasing geographical spread has been enhanced by the acquisition of H. C. Jones Limited and with the land bank substantially increased since July 1975 the Group is well placed to maintain growth. An interim dividend of 1.52p net per share has been declared which is payable on 28th May 1976 to shareholders on the register at close of business on 27th April 1976 (the same as the interim dividend of 1.2714p net per share last year with an addition of 10 per cent. on the total dividend paid in respect of last year).

L. A. BARRATT
Chairman.

Huddersfield & Bradford Building Society 1975

A year of record progress.

Report on ANNUAL GENERAL MEETING—
Against a background of economic, financial and political uncertainty the Society's assets grew by £4.5m to a record of £375m—prevaling at mid-year 1975.

The total income advanced in 1975 was £12.3m representing a rise of 3.1% on 1974. Liquid funds increased to over £25m amounting to 22.5% of total assets. At the year end balance sheet showed a surplus of £3.5m, and deposits totalled over £35m. During 1975 the Society achieved a record lending of £20m to borrowing members.

These and other encouraging figures were given by the Society's President, Mr. C. D. Sutcliffe, J.P. at the Annual General Meeting held in Bradford on March 26th 1976. Mr. Sutcliffe also expressed the appreciation of the Board to the members and staff for their efforts during the year and to Agents, Valuers, Solicitors, Bankers and Professional firms throughout the country for their continued support.

Copies of the Annual Accounts are available from any Branch of the Society or from the Head Office.

Huddersfield & Bradford Building Society

Head Office: Permanent House, Westgate, Bradford BD1 2AU. Tel: Bradford 34822 (STD 0274). Member of the Building Societies Association. Authorised for investment by Trustees. Assets now exceed £370,000,000.

Bath & Portland Group

COMMENDABLE RESULTS IN DIFFICULT CONDITIONS

Highlights from the circulated review of Sir Kenneth Selby (Chairman)

Highest Profit in Group history.
Exports rose to £2.1m from £1.6m and British plant exported totalled £3.04m.

Bank borrowing contained at £5.0m.

Useful contribution expected in next financial year from the £47m contract in Iran.

Group remains well placed to meet any upsurge in the economy.

	1975	1974
to October		
Sales	9,724	9,604
Profit	499	907
Engineering	25,707	25,086
Building & Civil Engineering	12,020	11,857
Cultural	6,717	5,715
neering	54,168	52,342
Interest Payable	1,084	1,160
Profit before taxation	2,090	2,019
Profit after taxation	6,77p	6,49p

Copies of the Report may be obtained from The Secretary, Bath and Portland Group Limited, 20 Manners Street, Bath, BA1 1TX

Healthy letting position at English Property

SIR BRIAN MOUNTAIN, chairman of English Property Corporation, feels it is gratifying that during this current recession the group's lettings worldwide have held up "most satisfactorily".

Overall vacancies within the completed investment portfolio are "minimal" and while there are a few disappointing local situations within the development programme, the general picture is "very healthy".

Even in the sensitive areas there are a few promising signs of confidence leading to improved letting activity, says the chairman.

While the group has continued to expand its development activities in North America, no new projects have been undertaken in the U.K. or Europe. Expenditure during the year ended October 31, 1975 amounted to £20m in North America, £18m in Europe and £15m in the U.K. and Europe.

Group commitments at October 31 amounted to £120.4m, compared with £91.9m a year earlier. These comprised—under contract in the U.K. and Europe £10.3m (£19.7m), and overseas £50.3m (£40.0m), and uncontracted pending arrangements of satisfactory finance £51.7m (£10.6m), U.K. and Europe £17.8m (£22.4m), overseas £1.7m (£0.6m). In respect of the group's commitments, as reported, net revenue attributable amounted to £20.4m (£11.2m) in the year 1974-75. Turnover amounted to £101.7m (£54.0m). An analysis of turnover and group trading result shows (in per cent.)—U.K. and Europe 30 (23) and 42 (40); Europe 2 (3) and 2 (same); and North America 76 (74) and 55 (50).

During the year short-term debt fell from £55m to £61m of which £20m is the liability of the parent and since the year end this figure has been reduced further to £22m. In view of facilities normally available the chairman says it is unlikely it will be necessary, or desirable, to materially reduce this figure in the coming year.

In his annual statement, Mr. J. A. Soden, chairman of the subsidiary Trike Corporation of Canada, reports that the company's financial results will improve as revenues from the existing portfolio increase and as profitability is achieved from new properties in which investment has been made both by development and acquisition.

Meeting, Dorchester Hotel, W., April 21 at 10.30 a.m.
Chairman's statement Page 24
See Lex

Barrow Hepburn outlook

WHILE THE trading outlook is uncertain for the U.K. tanneries, all other activities of Barrow Hepburn Group are budgeting for an improvement in profits, says the chairman, Mr. R. Smith.

As known group pre-tax profit increased from £2.0m to £2.5m in the year to January 3, 1976 and the dividend is 2.88p net (£4.537p).

The increase in profits was achieved despite high inflation and pressure on profit margins, particularly in the U.K.

Although the rate of inflation is reducing throughout the Free World, the medium term outlook, particularly in the U.K. is still in doubt, says the chairman.

Investment in factory space and plant last year amounted to £2,458,000. Year end commitments were £302,000 (£389,000) contracted and £489,000 (£143,000) not contracted. A further provision of £433,000 has been made against the book value of the group's investments overseas and at home which included a minority interest in W. Wood and Son.

Directors' emoluments include £1,000 compensation for loss of office. Meeting Dorchester Hotel, W., April 21 at 11 a.m.

Scottish Provident growth

Talking in detail about the record new business figures—new sums assured up 37 per cent. to over £35m, and new annual premiums up 45 per cent. to £5.5m, on the 1974 figures—the Scottish Provident Institution chairman, Mr. M. D. Pentland says, "Two factors which made a major contribution are firstly, growth in pensions business of all kinds, and secondly, a continued strong demand for family income policies."

The chairman stresses that "the life assurance offices are ready, as they always have been, to make funds available to industry for soundly conceived projects, but we remain conscious that we are in effect the trustees of our policyholders' savings."

"I do not accept the suggestion that the savings institutions have in any way failed to make capital available to potentially thriving and profitable industrial enterprises. Funds have been

and remain available," he deduces.

The rapidity of the rise in U.K. equities and British government securities in the early part of the year was a reaction to the extremely depressed levels reached at the end of 1974. Cash deposits were materially reduced by investment in fixed interest securities in early 1975. Although this was followed by a period when Provident was sellers of these securities, some £39m. was so invested over the year, which should ensure a further rise in the yield on funds.

The other major investment areas were some £5m. in equities, of which half was overseas, and some £2m. in house purchase loans to policyholders.

Chairman's statement Page 22

NOTICE OF DEFAULT
To the Holders of
£150 Subordinated Debentures
Due 1975 and 1976 of

Builders Investment Group

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 82 of the Insolvency Act of 1986, that the Insolvency Administrator, pursuant to the order of the court, has accepted the offer of the Builders Investment Group (the "Group") and United States Trust Company of New York, Successor Trustee, that an Event of Default has occurred pursuant to the terms of said Indenture. Said Event of Default is the non-payment of the interest due on December 31, 1975 to the holders of the Trust's 7½% Subordinated Debentures due 1975 and 1976 and said payment not having been made within the 15 day grace period and due to the non-payment of principal due on December 30, 1975 to the holders of the Trust's 7½% Subordinated Debentures due 1975.

UNITED STATES TRUST COMPANY OF NEW YORK
Successor Trustee
Dated: March 29, 1976.

Edinburgh and Dundee to earn 'rather more'

MR. G. T. CHIENE, chairman of The Edinburgh and Dundee Investment Company expects that current year earnings per 25p share will be "rather more" than the 2.88p for the year to January 31, 1976.

The fall of 5 per cent. for the past year, was, he says, in line with last September's indication.

As reported with net asset values net revenue, after tax, was £1,384,509 (£1,450,284) and the dividend is 2.8p (£2.7p) net.

As the U.K. equity market rose during the year, the directors became increasingly concerned that share prices were running ahead of the outlook for company profits, and that Ordinary shares were beginning to look overvalued, particularly in relation to British Government Stocks.

Therefore a proportion of the funds was transferred from U.K. equities to British Government Stocks—the percentage invested in British Government Stocks was 11.3 per cent. at the year end, compared with 1.9 per cent. a year earlier.

At the year-end 40 per cent. of assets were invested in U.S. (virtually all in equities) compared with 28 per cent. in U.K. equities (mainly in companies with large overseas interests) and 17 per cent. in other overseas equities.

The balance of 15 per cent. was held in U.K. fixed interest stocks.

Mr. Chiene is returning from the Kingdom after the AGM, which proposals to give additional security because he thinks it would be a good thing for a younger man to take over. Mr. H. McMichael has been appointed to succeed him as chairman. Mr. Chiene will remain on the Board for one more year, after which he will retire.

It is intended to introduce younger men in due course. With this in view, Mr. W. L. Milligan has indicated that he will retire after the AGM.

Meeting, Edinburgh, April 21 at 10 a.m.
Chairman's statement Page 22

good thing for a younger man to take over. Mr. H. McMichael has been appointed to succeed him as chairman. Mr. Chiene will remain on the Board for one more year, after which he will retire.

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Meeting, Edinburgh, April 21 at 10 a.m.
Chairman's statement Page 22

CHRYSLER U.K.

Holders of the two listed debenture stocks of Chrysler United Kingdom have approved proposals to give additional security because he thinks it would be a good thing for a younger man to take over.

Mr. H. McMichael has been appointed to succeed him as chairman. Mr. Chiene will remain on the Board for one more year, after which he will retire.

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Meeting, Edinburgh, April 21 at 10 a.m.
Chairman's statement Page 22

New Issue
March 30, 1976

EUROPEAN ECONOMIC COMMUNITY

US-\$ 300,000,000

8¼ % US-Dollar Bearer Bonds of 1976/1982

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Aktiengesellschaft

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Banque Internationale à Luxembourg S.A.

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Kuhn, Loeb & Co. International

Orion Bank Limited

Société Générale

A. E. Ames & Co. Limited

Bache Halsey Stuart Inc.

Banca Nazionale dell'Agricoltura

Banca della Svizzera Italiana

Bank of America International

Bank Gutzwiller, Kurz, Bungenier (Overseas) Limited

The Bank of Tokyo (Holland) N.V.

Banque Générale du Luxembourg S.A.

Banque de Neufville, Schlumberger, Mallet

Banque de l'Union Européenne

H. Albert de Bary & Co. N.V.

Bayerische Vereinsbank

Berliner Handels- und Frankfurter Bank

Caisse des Dépôts et Consignations

Christiania Bank og Kreditkasse

Compagnie Financière de la Deutsche Bank AG

Crédit Industriel d'Alsace et de Lorraine

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Den norske Creditbank

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Merck, Finck & Co.

Morgan Grenfell & Co. Limited

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Peterbroeck, Van Campenhout, Kempen S.A.

PKBank

J. Henry Schroder Wagg & Co.

Skandinaviska Enskilda Banken

Société Générale Alsacienne de Banque

Trinkaus & Burkhart

Vereins- und Westbank Aktiengesellschaft

M. M. Warburg-Brinckmann, Wirtz & Co.

Banca Commerciale Italiana

Kreditbank S.A. Luxembourgeoise

Union Bank of Switzerland (Securities) Limited

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Banque Nationale de Paris

Dresdner Bank Aktiengesellschaft

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Manufacturers Hanover Limited

Privatbanken Aktiengesellschaft

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Banca Nazionale del Lavoro

Banco Ambrosiano

Bank of Bermuda Limited

Bank Leu International Ltd.

Bankers Trust International Limited

Banque de l'Indochine et de Suez

Banque Populaire Suisse S.A. Luxembourg

Banque Worms

Bayerische Hypotheken- und Wechsel-Bank

Bergan Bank

Brown Harriman & International Banks Ltd.

James Capel & Co.

Citicorp International Bank Limited

County Bank Limited

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Banco del Gottardo

Banca Provinciale Lombarda

Banco di Roma

Bank für Gemeinwirtschaft Aktiengesellschaft

Bank Mees & Hope NV

Banque Française du Commerce Extérieur

Banque Lambert - Luxembourg S.A.

Banque Rothschild

Baring Brothers & Co., Limited

Bayerische Landesbank Girozentrale

Berliner Bank Aktiengesellschaft

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Cazenove & Co.

Compagnia Finanziaria Interbancaria S.p.A.

Crédit Commercial de France

Crédit du Nord et Union Parisienne

Daiwa Europe N.V.

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sale will not be completed until the successful bidder completes his purchase as provided herein within the time period provided herein and in case of such failure to complete his purchase within the time period, without the notice on any number of occasions after the next highest bid from a qualified purchaser. The Pledgee reserves the right to bid and to become the purchaser at the sale and to credit against the purchase price any or all sums due to the Pledgee from the sale of the property of the pledgor. All other bids must be accompanied by a deposit equal to 10% of the bid in cash or funds acceptable to Pledgee, payable immediately on conclusion of bidding, and evidence satisfactory to the Pledgee of the bidder's ability to pay the balance of the purchase price. The balance of the purchase price shall be payable in cash at the time of transfer of the Stock. Within 60 days following the sale the purchaser must obtain the approval of the Departments of Insurance of the States of Illinois, Indiana, Michigan, Minnesota, Missouri, New York, and Ohio, for the transfer of the Stock, or an exemption from such approval by all the above named governments. Consents or exemptions deemed necessary by the Pledgee and its counsel, and no transfer of the Stock will take place unless the purchaser can satisfactorily establish that such approvals, consents or exemptions have been obtained or that the necessary approvals, consents or exemptions have not obtained or any other conditions to the completion of the sale are not satisfied within the time periods provided herein.

Information as to factual and financial information relating to Investors Mortgage Group, Inc. is available to qualified investors through James G. Page, II, The First National Bank of Boston, Massachusetts 02110, U.S.A., telephone (617) 434-3882, Boston.

FINANCIAL TIMES SURVEY

Tuesday March 30 1976

Spanish Banking and Finance

The rigidity of the Spanish banking system and its wide degree of control of industry has often been criticised. As the country emerges from the trauma of recession, much will depend on the regime of King Juan Carlos and on the steps that are taken to restore democracy in Spain.

Many questions be answered

Roger Matthews

DEEPER implications of the Franco regime's economic policy are now being asked about the government of King Juan Carlos, and the wish of ministers to take the country into the Common Market at the earliest possible date. The least possible delay of paramount importance to the country's economy and to the financial and banking systems. With so much at stake, it is not surprising that the political struggle, understandable that neither the regime nor the opposition have led too much time to sub-which while critical to the future, appear second importance to elected governments, the right to strike, systems and the right to ideological battle. In the case of Portugal, the political struggle, the economic management of the country that may ultimately whether Spain continues to progress it has made in the economy such as are practised in Spain's main trading partners.

a major West European industrial power or whether internal divisions and textbook parodies induce a period of stagnation that will both radicalise political attitudes and once again widen the gap with the rest of Europe.

From the point of view of the economy General Franco could not have died at a worse moment. Had he stepped down during the late 1960s or, say, in early 1973 when the economy was booming, the country's political difficulties would at least have been tempered by a still steadily rising standard of living. However, Spain is now deeply enmeshed in the worst recession for nearly 20 years, and the climb out is necessarily going to be delayed by political factors. If within the next 18 months the democratic alternative is actually achieved then a number of searching questions are going to be asked about the greater equality of income and opportunity which may eventually put the economy on a sounder footing but in the short-term can but increase the economic difficulties.

Expansion

Since General Franco gave the go-ahead for the great economic expansion in the late 1950s by opening the doors to an eventual flood of foreign capital, the financial structures have to an extent served the country adequately. But progress was tied to a cheap, plentiful and disciplined labour force and wholesale protection from the forces of a market economy such as are practised in Spain's main trading partners.

The banks, for example, have been permitted to exercise a disproportionate degree of influence on industry, while in their turn they have been subject, not always unwillingly, both to highly interventionist regime policies and to remarkable freedom to make profits.

There is no accurate figure of the degree of banking control over industry, although it is often stated that through direct and indirect means it is in the region of 40 to 50 per cent. This can range from majority ownership to the exercise of voting proxies through shares lodged at a particular bank, but there is no doubt that an impressive part of the major banks' annual profits are derived from industrial as opposed to simple banking activities. At a time of liquidity problems or more generalised recession, it is similarly not banking criteria that necessarily dictate a bank's lending policy but the fact that customers which are simultaneously subsidiaries or at least "affiliates" are serviced first whatever more objective assessments would suggest. Until recently that has not been seen as a particular handicap to the system mainly because the economy was growing so vigorously. Now, with Spain for the next couple of years urgently needing substantial foreign loans, it might be seen as a positive handicap to a more rational reassessment of industrial strengths and future expansion patterns. It is also debatable that so much direct banking control of industry is advisable when far-reaching decisions need to be taken that

tend to be outside the competence of very limited corporate departments of many banks.

The main banks may equally argue, of course, that a substantial part of their funds is creamed off by the central authorities and re-lent via official credit agencies to areas which the Government particularly wishes to support. The level of competence of these official "banks" is also open to discussion, and a case can be made to show what the more alert and modern of the major banks now have a corporate finance division that is at least as able as any Government agency. Arguments over the channelling of private savings has an added potency in Spain due to the previous unwillingness, or political inability, of Franco Governments to develop a taxation system that could more adequately fuel the needs of the public sector.

Reforms

Once again a new incumbent at the head of the Finance Ministry, Señor Juan Villar Mir, has pledged wholesale tax reforms and a blitz on fiscal fraud, but until he has the moral authority of an elected parliament behind him or the force of a determined dictatorship there is no reason to suspect he will be any more successful than his predecessors. He would also first have to construct a machinery capable of tax collection and somehow introduce a change of morality in Spain, where the payment of taxation is still very much regarded as a game which the

Government expects to lose.

There are certainly opportunities for introducing radical changes in the system of indirect taxation and laying a far heavier weight on luxury goods, which, apart from areas where protection from foreign producers is the primary aim, is often very low. Although some multinational companies claim that corporation tax and its equivalents are not so mild as popularly believed, the Spanish bank, accept almost without question the need to keep two or more sets of books in operation at once. In the case of the banks there is even some evidence to suggest that the Government this year is actively participating in disguising the true level of profitability for fear of the political consequences. Such attitudes spread throughout the capital market, so that fear of disclosure affects a variety of judgments. A company that might otherwise decide to seek a quotation on the stock exchange is frightened off by what are by British standards quite minimal disclosure levels and even sometimes by the anxiety that even part public ownership can result in eventual loss of fund management... control. These have been partially responsible for the fact that the three Spanish exchanges in Madrid, Barcelona and Bilbao, do not act as the important source of long-term industrial capital that might be expected from a country looking forward to still more substantial growth.

Mutual funds and closed-end investment trusts have to an

extent served to bring the possibilities of stock exchange investment home to more members of the middle class, but "over-optimism" on the part of some managers a few years ago led to Bank of Spain intervention and a loss of public confidence that is only slowly being won back. Because of the relative thinness of the market and the variety of regulations that affect dealings, the stock exchanges are also highly vulnerable to manipulation which in the last days of General Franco had distinct political undertones. In such a climate it is perhaps understandable that among some investors there is a tendency to look on the stock exchanges as glorified casinos in which a rapid capital gain is the primary objective. The fact that a rights issue often forms a principal part of the annual dividend, and is seen to fulfil this role, naturally increases the possibilities for such in-and-out operations. The relative absence of underwriting facilities is a further handicap, although some banks are slowly gearing themselves up to undertake more of this type of operation. If there is a new climate of modernisation inherent in the highly tentative moves towards a more democratic system, it could be that, provided business confidence is not too severely dented, the stock exchanges will begin to realise more forcefully the potential they have as a source of long-term capital.

One asset here would be the development of the insurance industry and its emergence as a major institutional investor.

But the idea of the family as the best form of insurance is still deeply entrenched, and all too few businesses and industries operate the sort of schemes found in Common Market countries. The Spanish executive is paid extremely well by British standards and keeps a far higher proportion of his salary, but at the same time neither the State nor the employer expects to make much in the way of provision for his future. With many people's levels of disposable income now hit both by inflation and the recession, and a mood of anxiety hanging over many industrialists, the immediate future is also more likely to be marked by retrenchment than by experiment with what are essentially longer-term projects.

Pressure

This is also evident in the field of industrial investment, where, despite exhortations by Government ministers, last year's 10 per cent. fall-off shows every sign of continuing and may perhaps deepen if more serious political strife breaks out. Although the banks have not reported any serious liquidity problems in the past few months, mounting pressure for funds can be expected if the Government's borrowing requirement goes on rising as a result of its efforts to contain unemployment and the banks themselves find affiliated companies struggling to stay afloat.

The performance of the tourist industry this year and news was permitted, and prob-

the ability of the Government, blue-chip and State-run industries to raise money abroad will be critical. With a balance of payments deficit last year of \$3.4bn, following on from one only marginally smaller the year before, and the prospects of a similar figure in 1976, the Government will probably be looking to raise well in excess of \$1bn. in the short term. Reserves at nearly \$8bn. are still relatively high but disguise the amount of borrowed capital that has been added to the total. Obviously the Government looks with envy at the sort of support operation that has been mounted to aid the weaker members of the Common Market, especially Italy, during the recent international currency crisis and generalised balance of payments problems caused by the successive rises in the price of crude oil. A scenario sometimes quoted in Madrid is that one of the great attractions of EEC membership would be to tap these same sources in order to give the country the breathing-space it needs to cope with its lack of industrial balance and such basic issues as trade union reforms. But to bring Spain's financial institutions into line with Common Market practice and to make the peseta a convertible currency are problems that few members of the regime seem so far to have considered in their wish only to see the benefits of entry.

During the recent currency crisis the Spanish television

CONTINUED ON NEXT PAGE

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Balance Sheet Before Profit Allocation

(December, 31 (th), 1975)

ASSETS	Dollars*
CASH AND DUE FROM BANKS	607,806,000
INVESTMENTS (BOND & SECURITIES)	560,668,000
LOANS AND DISCOUNTS	2,997,531,000
CUSTOMERS LIABILITY FOR ACCEPTANCES	342,867,000
BANK PREMISES AND EQUIPMENT	71,895,000
SUNDRY ACCOUNTS AND OTHER ASSETS	409,339,000
TOTAL ASSETS	4,990,106,000
LIABILITIES	Dollars
TOTAL DEPOSITS	3,461,766,000
ACCEPTANCES OUTSTANDING	342,867,000
DUE TO BANKS	520,566,000
OTHER LIABILITIES	369,184,000
CAPITAL	148,310,000
RESERVES	127,413,000
TOTAL LIABILITIES	4,990,106,000

*U.S. \$ 1.00 = peseta 166.64



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" 1973	986.	
" 1974	1.003.	
" 1975	1.060.	

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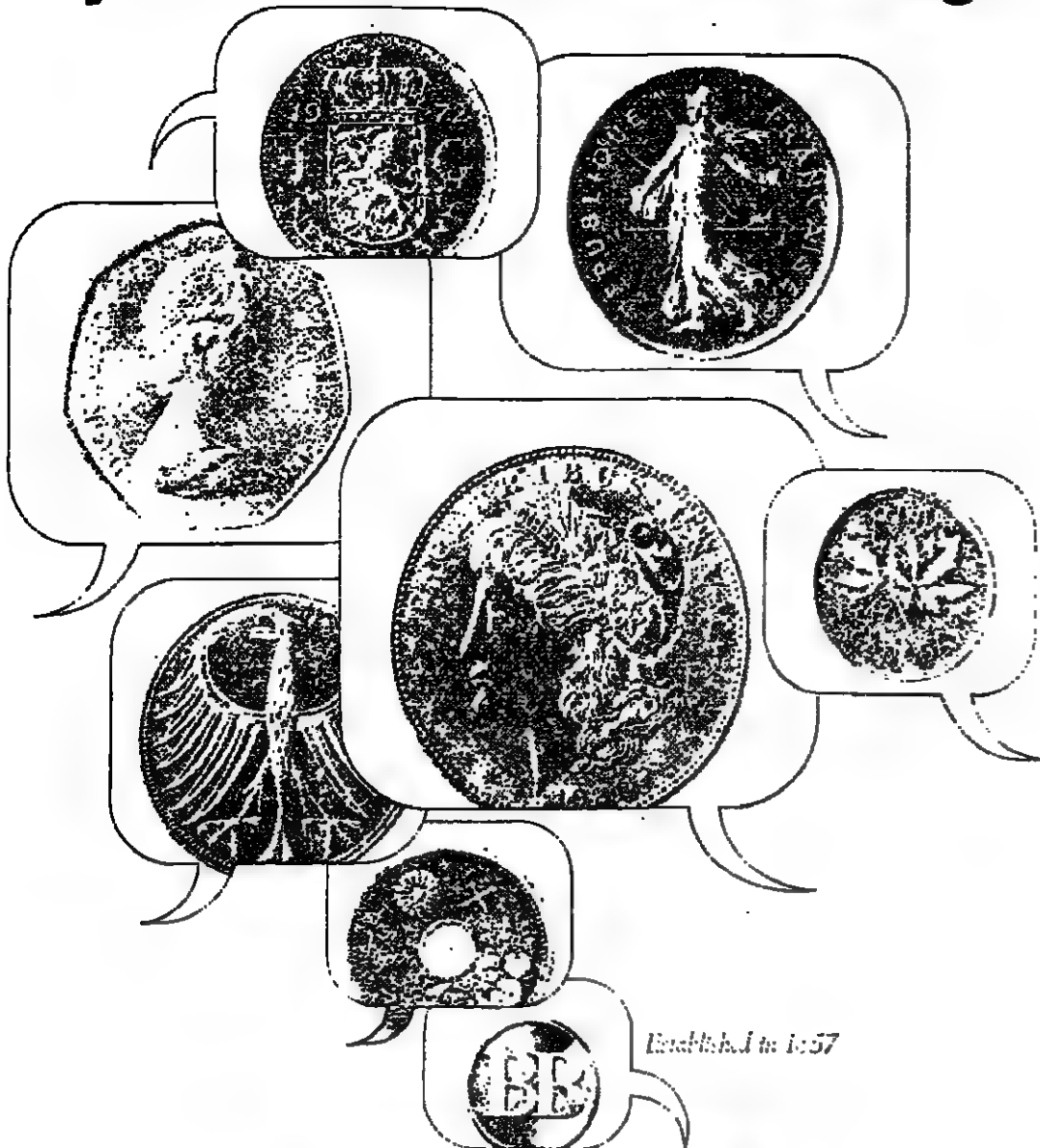
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SPANISH BANKING AND FINANCE II

Paying for lack of economic planning

SPAIN entered 1978 not just
with serious short and medium-
term economic problems, but
with more basic questions
having to be asked about the
structure of the economy and
the cost that may have to be
paid for 15 years of rapid but
relatively unplanned growth.

Between 1959 and 1973 the
economy advanced at an annual
average real rate of 7.3 per cent,
which was nearly double that of
the members of the European
Community. It seemed at least
to have solved—temporarily—the
previous persistent balance
of payments deficits, was able
to export domestic unemployment,
shifted increasingly from an
agriculture-based economy to
one with a strong industrial
arm, and at the same time
brought very unevenly distrib-
uted but nevertheless signifi-
cant increases in the standard
of living of the bulk of the
population. It was an
achievement to be measured in
both political and economic
terms and one that undoubtedly
helped to sustain the rule of
General Francisco Franco.

The Middle East war in the
autumn of 1973 came at a
critical moment for Spain and
the consequent substantial rises
in the price of crude oil had
a more critical effect on the
performance of the Spanish
economy than perhaps on that
of any other Western European
country.

Coupled with the general
downturn in world trade, which
also damaged the valuable
tourist industry, the country
ended 1974 with a current
account deficit of \$3.3bn. This
reflected not just Spain's heavy
reliance on imported oil as a
primary source of energy but
also the Government's political
reluctance to take the sort of
measures if unpopular counter-
measures adopted by other
nations. Little effort was made
to trim oil consumption and
industrial production did not
until the last quarter begin to
reflect the growing resistance
found in principal export mar-
kets and the weakening of home
demand.

Thus a growth rate of 4.4
per cent was achieved although
stock-piling was becoming more
widespread and went on well
into last year. As a result the
world recession did not pene-
trate Spain forcibly until at
least 12 months after it had hit
many countries and there is
every reason to believe that
recovery will be similarly de-
layed, even without taking into
account vital political factors.

Provisional figures indicate
a real growth in GNP last year
of 0.8 per cent, with the agri-
cultural sector, boosted by a
good harvest, partly compensat-
ing for a decline in industrial
output of about 3 per cent. Yet
on revision it may be that the
1975 growth rate will be even
nearer zero, with current
projections scarcely more
optimistic for the current year.

Performance

On taking office in December
as the first Finance Minister of
the post-Franco era, Sr Juan
Villar Mir immediately began
letting the public know exactly
what he thought about the
economic performance of the
country. Spain, he declared,
had not been working enough,
was importing too much, con-
suming to excess, and the
labour force had been overpaid.
However, solutions were at hand
and provided everyone pulled
together there was no reason
why the rate of inflation should
not diminish further during
1976. Up to \$1bn. could be
trimmed from the balance of
payments deficit, and at the
same time real progress could
be made towards a return to the
growth rates of the early 1970s.
The Minister thought that 4 per
cent, would be possible for this
year.

Even at that point, however,
the Minister was not fully aware
of the deterioration in the
balance of payments. Provi-
sional figures, just released,
show that despite the decline in
industrial activity during 1975
the deficit reached almost
\$3.5bn, some \$200m. worse than
the preceding year. Although
exports grew by about 7 per
cent, as compared with imports
at 5 per cent, the trade gap was
still a huge \$7.3bn.

The extent of Spain's
economic problems is amply
demonstrated by the fact that
exports pay for only a fraction
over half the country's imports.
The part of the resulting deficit
being offset by tourism earnings,
remittances from Spanish
workers abroad and capital
inflows.

The assistance that the three
main elements of the "in-
visible" sector can give in try-
ing to bring the balance of
payments back into equilibrium
is strictly limited. Last year's
30m. visitors to Spain (of whom
roughly 80 per cent can be con-
sidered as tourists) brought in
about \$3.4bn, which represented

no real rise in earnings, and
the indications for this year are
that at the best the situation
will remain roughly static.

The industry is already over-
supplied with hotels and apart-
ments at the lower end of the
market and it may be that 1973,
with its 34.6m. visitors, repre-
sented the peak of achievement.
The net balance on tourism
should also hold at much the
same level as the economic
downturn will affect the number
of Spaniards holidaying abroad.
Unemployment in Western
Europe, and particularly in
France and Western Germany,
has also brought to a halt the
previous steady increase of
money transfers from abroad,
largely originating from the
emigrant labour force. The
\$1.164bn. that was sent to Spain
in 1974 dropped marginally to
\$1.145bn. last year as tens of
thousands of workers returned
to their homes in search of work.
Estimates for 1976 expect a
further fall, perhaps to below
\$1bn.

Idea

A similar question mark hangs
over the declining flow of long-
term foreign capital as multi-
national companies, like their
Spanish counterparts, delay
investment decisions because of
the overall economic position
and more pertinently to get a
better idea of political develop-
ments inside Spain.

Thus the scope for improving
invisible earnings is almost nil
in the short term, while the fear
always exists that any further
recurrence of street violence
could frighten away would-be
tourists to other hotly compet-
ing countries. The improvement
in the W German economy and
signs of similar trends in
France might stem the flow of
workers back to Spain, but it
cannot be expected to produce
any marked increase in remit-
tances during the rest of this
year.

The entire burden therefore
must fall on exporters and their
ability to get a greater share
of overseas markets while extra
efforts are made to substitute
domestic production for imports
where possible and limit the
purchase of luxury goods. How-
ever, an examination of the
country's imports shows just
how little room for manoeuvre
there is with an important part
of the total bill being taken up
with crude oil and items such
as animal feedstuffs.

Spain has relatively few raw
materials and successive hopes
of oil discoveries have so far
come to nothing. Particularly
worrying is that so far the im-
port bill has scarcely reacted to
the fall in industrial activity
and although the Finance
Ministry is proposing several
measures to stem the purchase
of luxury items this will hardly
do more than scratch the sur-
face of the problem.

Aid is also being channelled
towards the main exporting
industries, some of which have
found themselves severely hit
by the world recession. The
shipbuilding industry is one of
the best examples. Having been
encouraged to grow rapidly
during the late 1960s and early
1970s, until Spain reached No. 4
in the world shipbuilding
league, it is now suffering
badly with some companies
having reached a state of
technical bankruptcy some
months ago.

The overall structure of
Spanish-manufactured exports
is also such that recovery is
vitaly dependent on a full-
scale reactivation in the U.S.
and Western Europe. Spain
produces too few domestically
designed and generated goods
of reasonable sophistication and
is still a long way from cap-
turing, for example, the sort of
market shares the Italians have
managed in refrigerators and
washing machines. Car exports
are also disappointingly low,
although when the Ford plant
near Valencia comes on stream
in the autumn this should help
to improve the picture.

All too few economists and
industrialists seem confident
that an export-led recovery will
begin to show itself this year
and that meanwhile some way
has to be found of financing
the substantial deficit. Gold and
convertible currency reserves
appear tolerably healthy at
nearly \$6bn, but no one is quite
sure how much of that sum is
actually earning money for the
country.

On February 9 the Finance
Minister abruptly decided to
readjust that value of the
peseta against the dollar by just
over 10 per cent, in the hope
that this effective devaluation
would give Spanish exports the
competitive edge they needed
in world markets. Within a
month however his political
inexperience at home and the
turmoil in international
currency markets seemed
largely to have undone the
benefits he had hoped for.
Whatever the pros and cons
of devaluing the peseta at that
point it was vital to follow up

immediately with a package of
measures designed to give the
maximum encouragement to
exports. Yet Ministers could
not initially agree, the Cabinet
inevitably squabbled in the
absence of a Prime Minister who
through his own knowledge of
political and economic issues
could resolve the argument, and
now the Cortes seems fully pre-
pared to send the package back
to the Government for recon-
sideration.

Unemployment

Meanwhile, the devaluation
had an immediate effect on the
rate of domestic inflation,
already running far higher than
among most of Spain's principal
competitors. Officially the cost
of living index rose by 14.1 per
cent, last year, nearly 8 per
cent down on the preceding 12
months, but even in official
figures it is admitted that the
"shopping basket" is now very
much out of date and that at
least 4 per cent should be added
and perhaps more. As the
Finance Minister has said, this
inflation is now substantially
generated internally, unlike the
situation in 1974, and must be
brought under control if
Spanish goods are not to be
priced out of international
markets.

But inflation also has to be
tightly controlled because of the
effect it has on an already very
difficult labour situation. Sr.
Villar Mir, with his remarks
about the labour force having
been "overpaid" and his subse-
quent determination to try to
hold wage rises to the official
cost of living index plus two
per cent, has become one of
the principal Aunt Sallys of the
Spanish Left. If a "social pact"
is the only long-term way out of
the problem then it seems cer-
tain that one of the people not
participating will be Sr. Villar
Mir.

The strikes that have plagued
Spain since the beginning of this
year and, according to some
employers' leaders, have already
cost the country three times as
many man-hours as were lost
in the whole of 1973, undoubt-
edly have a strong economic
basis that is naturally fuelled
by the refusal of the regime to
permit the right of free trade
unions. It is debatable whether
labour peace could be bought
now without paying an ex-
tremely high price, although
there is some evidence to show
that this is precisely what has
been happening in some sectors
where the wages policy of the
regime has been blatantly
breached. The Government has
had only the same limited suc-
cess in its professed efforts to
control price rises and has
certainly failed to convince the
public of its determination.

Meanwhile, unemployment is
rising and, according to un-
published semi-official estimates,
is over 5 per cent of the 13.5m.
workforce. Under-employment
accounts for another important
percentage, especially in agri-
culture, while there has been a
sharp reduction in the level of
"pluriempleo"—that is, the
number of people who manage
to hold down two jobs.

Add to this the changing
social structure of the country,
which is encouraging more
women to look for jobs, the
return of emigrants from
abroad, the almost total cessa-

tion of exported unem-
ployed, and mechanising ag-
riculture and the
shake-out of labour if
construction industry ar-
comes clear, why some
mistake are forecasting
needs to create up to
10 jobs in the next five
years.

For the immediate
Government is trying
viate unemployment,
in those areas of the
where it is particu-
larily pronounced, by financ-
ing public works and not
just by increasing the
amount of official dis-
available to those sec-
in need. The prob-
course, that these
urgently needed to
flagging investment,
utilised merely to
employment levels is
sometimes patently
duck" companies.

Naturally there is
from parts of indus-
try Government to initial
us inflationary policy
the inflationary danger
all move are all to c
were to be taken in
of other Western coun-
tainly the regime is
maintain some form
aware that if it doe
recession could de-
further and push up
to levels that would
politically and cause
bankruptcies among
that are so far just
to keep their heads ab

Strikes

The strikes that
especially the Madrid
but during January
initially have been
ing for many compan-
high level of stocks,
try sources say that
more widespread and
serious effect on
sectors and hit busi-
nesses just when it w
the first glimmers of

Whereas optimists
ing of positive signs o
during the latter pa-
second quarter, this
been postponed to
quarter of the year, f
really expected much
covery before then a
cause of Spain's rela-
entry into the re-
phase. This would
indicate continuing i-
sions among a work
for a decade and a h
been used to belt-
exercises. Hopefully t
dent's actions will r
factor.

The regime therefo
to have decided to r
hopes, on swift a
recoveries in the eco
its main trading part-
ners, the U.S. and
members of the
Market. To this end
looking to finance its
balance of payments d
further foreign.
aware that any othe
corrective measures
could have serious
political consequen-
nearly \$9bn. its foreig
risen sharply in the
months but is still v
the level of son
industrialised nations.

Questions

CONTINUED FROM PREVIOUS PAGE

ably officially encouraged, to
state night after night that
peseta was riding above the
chaos and its parity unchanged.
When in February it was
devalued against the dollar and
most other currencies by just
over 10 per cent, this was pre-
sented as an inevitable reaction
to the peseta's persistent re-
turns against the basti-
valuation during the previous
18 months. While such official
propaganda is not unusual, it
does serve to emphasise the
very real difficulties future
governments in Spain will have
if one day EEC membership
does appear to be available. But
perhaps by then the chronic
balance of payments difficulties
will be near to solution and the
peseta no longer one of
Europe's weaker currencies.

Unlike Greece which is to an
extent able to present the
Common Market members with
a kind of ultimatum—"them
the colonels waiting in the
wings to stage another coup, or
us" with our imperfect but
genuine democratic attempts—
the present Spanish Govern-
ment will not be permitted such
an option. In Spain's case the
FEC attitude is that the demo-
cratic goods should be delivered
as a precondition of entry.
While all genuine Spanish
democrats would agree with
such a stance, there is little
doubt that in order to achieve
such an end a great deal of
Common Market support and far
more repressive encouragement
will be required, situation at home.

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July 20 1978

Slow progress in bank reform

It is only to be expected that of Spain's major cities to appear to be dominated by bank buildings. There are, in fact, over 110 commercial banks operating in the country, or the past 20 years it has been one of the most rewarding areas of business. Despite the regime's tough and tougher economic qualifications for those individuals and groups wishing to enter the field, it is only a matter of time before a sizeable fall-off in aspirants. At the same time there has been a remarkable concentration of power. During the past century five banks alone bed over 100 of their branches, and the situation has been reached where the seven control nearly 70 per cent of deposits in the commercial banking sector.

As a result of other peculiarities of Spanish banking which have been exaggerated by the boom that stretched from the late 1950s to the beginning of last year, particularly it involved the banks becoming increasingly involved in not just the shipping of large industrial firms. This has in turn led to the operational part of many banks, some of which now rely as much on participation in industrial activities as they do on more banking activities.

BANCO POPULAR ESPAÑOL IN 1975*			
	1975	1974	+%
Earnings	1,835	1,585	+17.2
Adjusted Reserves per Share (Pesetas)	169.94	133.14	+17.8
Dividend per Share	63.06	54.88	+14.9
Dividend Yield (%)			
Total funds (deposits plus equity)	1.06	1.06	
Adjusted market price of shares (Pesetas)	3.500	3.155	+10.9
Dividend on Shares (%)	1.50	1.44	
Earnings Ratio	20.6	24.3	
at year end			
Capital	6,077	5,355	+13.5
Reserves	11,226	8,574	+30.8
Equity	17,303	11,829	+46.1
Equity	12,359	10,837	+17.3
Deposits at Year End	144,504	128,698	+12.3
Deposits	6,677	7,148	-6.6
Foreign Currency Deposits	17,681	14,066	+25.7
Bonds	168,863	149,910	+12.6
Deposits per Branch	628	600	+4.7
Deposits per Employee	19.71	18.32	+7.6
and Discounts at year end			
Loans and Discounts	132,564	119,028	+11.4
Loans and Discounts	21,000	20,788	+1.1
Foreign Currency Loans and Discounts	10,518	5,599	+87.9
Loans and Discounts	164,052	145,395	+12.8
Loans and Discounts	610	582	+4.8
Investment (%)			
Invested Notes	17.0	14.8	
Invested	48.1	33.5	
Invested by Customers	82,133	49,134	+66.5
Invested	8,566	8,183	+4.7
Employees for year			
Employees	8,377	8,061	+3.9
Employees (number)	1,624,089	1,696,746	-4.3
Employees (number)	92,652	76,568	+21.0
Offices (number)	257	236	+9.3
Branches	12	14	-14.3
Branches	269	250	+7.6

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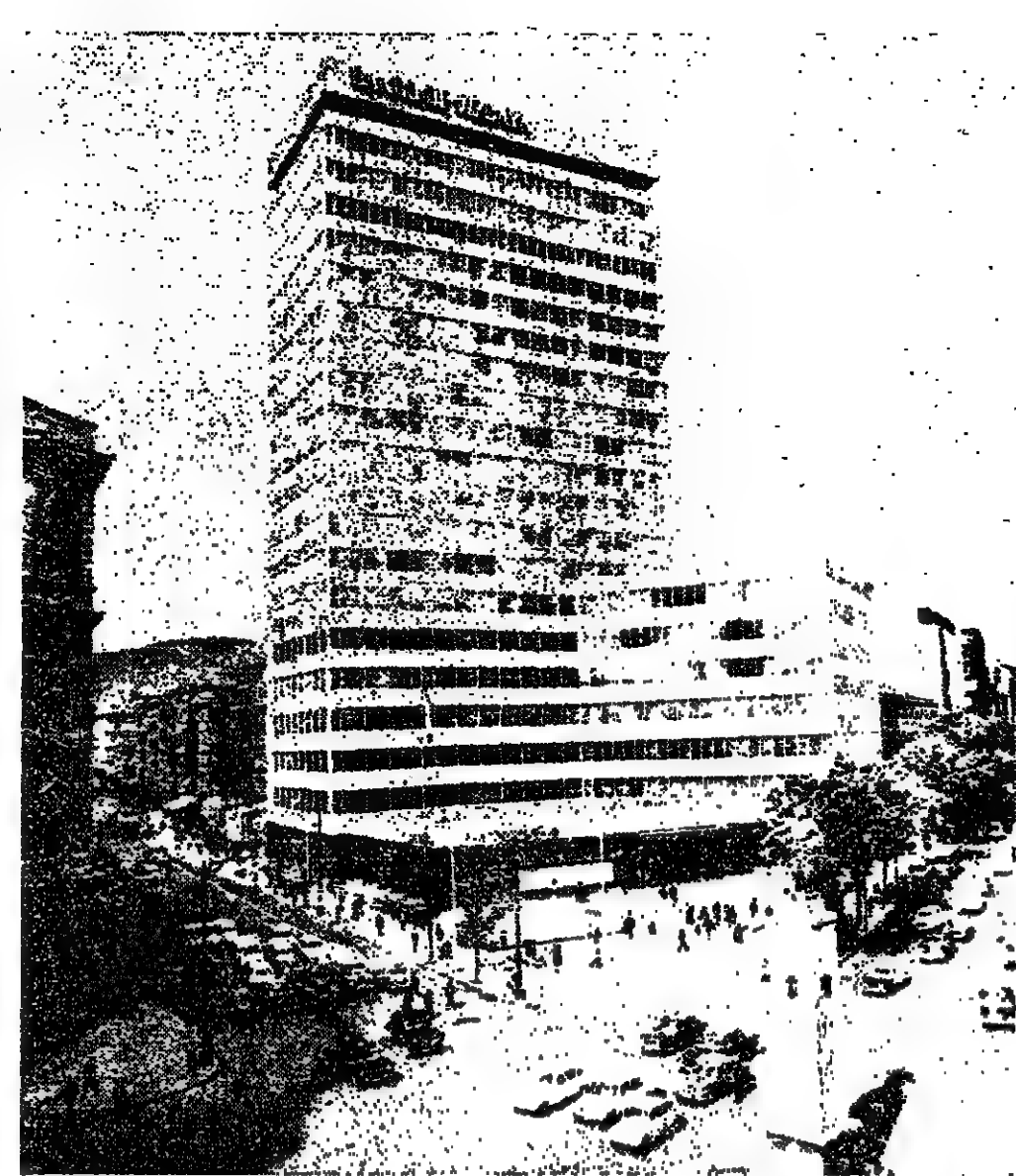
both by Government action and by the passive nature of most managements which were, and in some cases still are, content to sit back and enjoy the easily accrued benefits. Interest rates, for both depositors and borrowers, have historically been fixed by the Bank of Spain in relation to the discount rate, although after one false start the freeing of rates for periods of over two years seems to have been established. This has not stopped some banks offering illegally high rates for deposits during liquidity squeezes or from charging borrowers similarly adjusted rates.

This type of operation, described locally as "extratipo," takes several different forms and is well understood by the authorities, who have done little to put an end to it. Those bankers who might favour less restriction on interest rate control sometimes argue that it has in fact allowed a degree of flexibility where none previously existed. In the same way, during really force liquidity squeezes the so-called "financieras" tend to spring up and proliferate, some of which are little more than banking agents charging rates substantially above the legal limit for those customers in dire need.

Spain. They can also perhaps offer greater expertise and influence in raising external loans, a topic of mounting importance given the large deficit in the balance of payments. Equally, if Spain wishes, as some Government ministers have recently been stating, to achieve membership of the European Common Market by 1980 and to go on expanding the number of its national banks which have full offices abroad, then at some point the question of reciprocity must enter into the argument. Both the National Westminster and Barclays Bank now have representative offices in Madrid, an indication of the way in which major European banks are thinking. However, the resistance of the banking majors in Madrid might be fierce, and it is not insignificant that the biggest commercial bank has yet to take the plunge in opening abroad, despite the sometimes lucrative nature of such operations. But apart from promising new proposals of tackling financial frauds, the new Minister of Finance, Señor Villar Mir, has not yet shown any indication that he wishes to indulge in any banking sector experiments.

Growing

However, competition among the banks is growing marginally as younger and more widely experienced executives make their way to the higher echelons. The growth of unit trusts and other forms of portfolio investment in the stock exchanges have awakened the banks to such profitable possibilities, especially as they often have substantial numbers of equities lodged with them apparently for no other purpose than safe keeping. Those banks which had already developed such a service for customers have been followed belatedly by others, who have on occasion purchased a ready-made and successful independent operation. But it is still not altogether certain that it is the customers who will benefit. Some banking sources stress that these small but independent groups offered the customer unbiased advice and could only survive on the proven success of their investment policy. The large banks, on the other hand, may find independent judgments rather more difficult to maintain in the Stock Exchange and that of their affiliated industrial companies. In a market so relatively easily manipulated the temptations are all too obvious.



Banco de Vizcaya's office in Bilbao.

commercial banks' Ptas.3,263bn. Leaving aside the relatively tiny Postal Savings Bank, this gave the unified savings banks 31.31 per cent, of the total, compared with the commercial banks' 66.89 per cent. This has to be seen against the related figures for 1966 or 28.28 per cent, and 69.50 per cent, and emphasises the slow but steady progress made by the savings banks.

Such progress is surprising if the extremely low interest rates offered by the savings banks are taken into consideration, especially during a period when inflation has been running in excess of 15 per cent, a year. This, of course, is not the fault of the savings banks, some of whose managers claim that because they are obliged to invest a large part of their deposits at preferentially low rates according to the overall scheme of the Government, their own operating margins are being heavily squeezed. Additionally, they say it is an absurd situation when their funds, mainly drawn from the less well-off members of the rural population, are then re-lent at well below market rates to companies that are in fact owned by their main competitors, the commercial banks.

At this point the regional issue, ever close to the surface, becomes involved. Spain's largest savings banks are based in Catalonia and so regionalists' claims, have been used to transfer capital from that area to other parts of the country and especially to develop the industrial belt around Madrid. As if that was not bad enough from their point of view, the Catalan investors have also been paid a pittance for the use of their funds. However, commercial banking is making a comeback in Catalonia, which for a variety of reasons, some political, has never quite seemed able to compete with the far more prominent basques.

Thus the all Catalan-speaking Banca Catalana has been seen to make large strides in the past few years, with its almost exclusive regional bias. Other banks in the area have also been attracting a growing level of deposits and tacitly appealing to Catalan companies to maintain the flow of cash within the region, avoiding as far as possible the interference of central Government. Such attempts are still limited by the Government, which has just increased to the legal limit of 25 per cent, the level of deposits which are subject to overall official control. Thus, according to the regime, has been made necessary because of the nation's economic problems and in particular the desire to offer more cheap official credit to those companies that might be able to assist in an export-led recovery. The savings banks suffered similarly but with a 4 per cent. increase instead of the 2 per cent. which was applied to the commercial banks.

Any change in the political direction of the country is obviously going to be reflected in attitudes towards the entire banking sector, with the left wing certain to be specially vociferous. However, reform, if and when it comes, will necessarily be difficult because of the entrenched nature of the system as it operates to-day and due to the serious problems faced by the economy. It will need both tact and time.

R.M.

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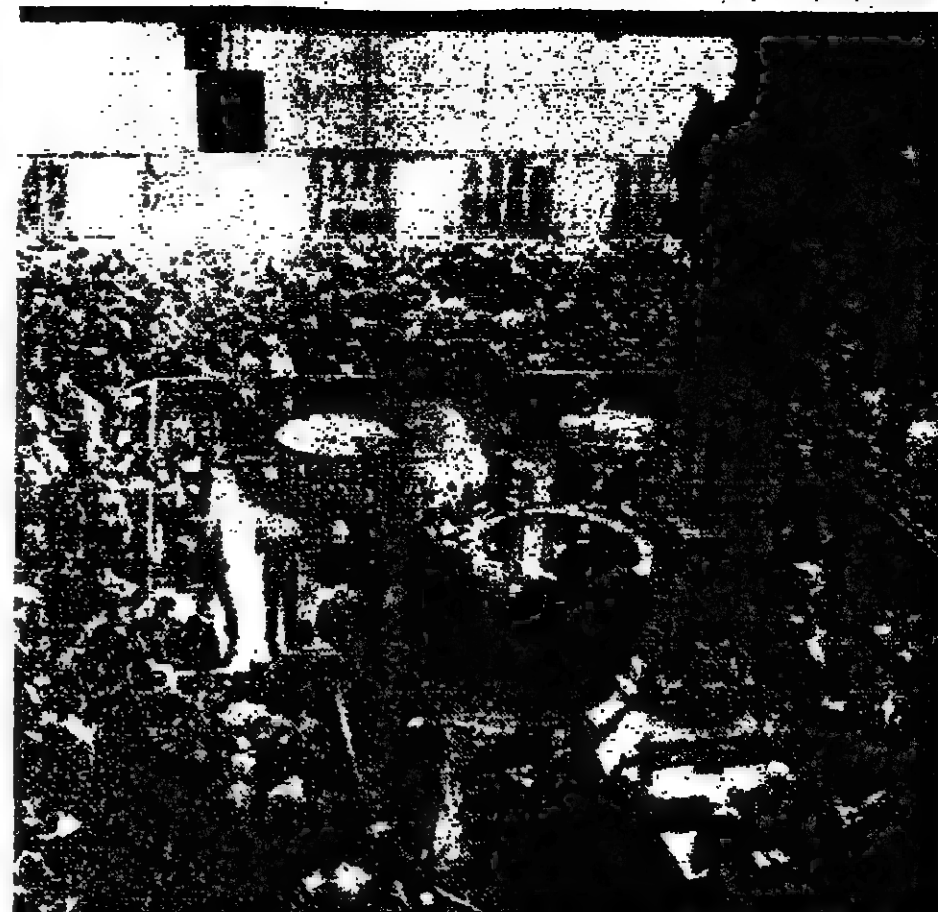
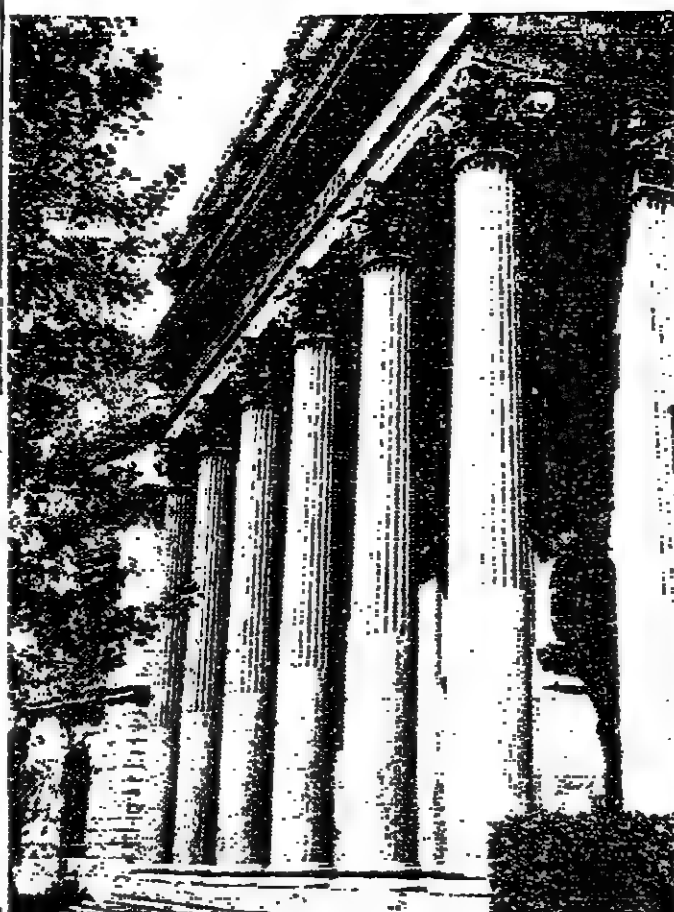
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SPANISH BANKING AND FINANCE IV



Left: The Madrid Stock Exchange. Right: The trading floor of the Exchange.

Stock market still has its limitations

OVER THE past ten years the Spanish capital market has made very considerable strides, both from the technical standpoint and in trading volume. This development has been increasing and progressive, 1972 and 1973 being key years.

From the technical angle, of particular importance is the appearance of new investment instruments hitherto practically unknown on the Spanish market. The impulse of closed end funds and the creation of unit trusts as well as the proliferation of professional services, have made this sector of the economy progressively more competitive and realistic.

The market has broadened very considerably in recent years, and has greatly increased its capacity to finance the Spanish economy. This can be seen in the development of trading volume (Table 2) and the increase in the number of quoted companies, which rose from 78 in 1964 to 547 in 1975. Despite this, the Spanish stock market is still limited in volume. The total capitalisation of the market is \$24bn., compared with \$41bn. for W. Germany, \$122bn. for the U.K. and \$780bn. for the U.S. This

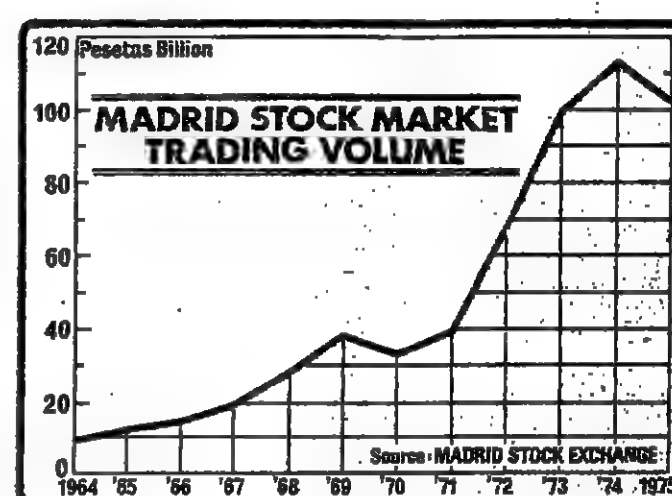
is due fundamentally to a lack of variety in the securities offered rather than a lack of demand.

With regard to the primary market, however, the shares sector is fairly developed in absolute and relative terms. Large companies have increasingly turned to this form of financing, partly because of the underdevelopment of the debenture market. Issues of shares have grown in 1964-1975 at a slightly faster rate than the GNP.

The debenture market is much narrower than in other countries, basically because of the limited attraction of the interest rate (around 9 per cent. gross) in a country like Spain with high inflation, and also because of the taxes paid on interest which reduces the net yield considerably. As a result, simple debentures have to be placed with certain types of institutional investors such as savings banks, insurance companies and official pension schemes. Given the low return, the number of issues of convertible debentures has gone up a great deal in recent years: convertible issues accounted for 26 per cent. of total issues of debentures in 1962 and 53 per cent. in 1975. Companies have attempted to make these issues much more attractive than classic issues.

The primary market, both shares and debentures, is characterised by a heavy concentration in few sectors and large companies, which take up most of the market, so that there is very little possibility of diversification. The secondary market follows a similar pattern, with few companies quoted and limited trading. This applies to the Madrid as well as to the Barcelona and Bilbao stock markets.

Despite the considerable increase in the number of quoted companies, the market would benefit if this trend were reinforced. Only 165 out of the 500 largest companies in Spain are officially quoted. The number of stocks quoted on the London stock market is 8,600 and on the New York Stock Exchange 1,900, while 547 companies are listed on the different Spanish exchanges. This is not the only problem, since, unless quotations are active and large parcels of stock change hands on the market rather than outside it, nothing is gained. Trading is still very limited, and was only 4.7 per cent. of total market capitalisation in 1974.



This lack of liquidity results in heavy fluctuations in prices, particularly because of increased institutional buying and selling. The Spanish market can only be described as inflationary and prices increased at a high rate from 1964 to 1974 (see Table 1). This means that price/earnings ratios are high in comparison with other countries: the average for commercial banks is 30.7, with 24.2 for chemicals and 17.1 for electricals. The present market crisis has naturally resulted in downward price trends and p/e ratios are settling at lower and more realistic levels.

The narrowness of the market is of course a characteristic of most of the EEC countries, and the difficulty of carrying out

obtained in this normally lower, unprofitable, legal advantages for quoted companies.

However, the frequent financial structure of companies make them didates for stock market investors being wary of them. Apart from having sufficient dividend to maintain active trading profits at the present frequently offer little to the investing public. Problems are also given the general Spanish profits, although in the long run advantages to be will outweigh the payment of back taxes.

The Spanish stock market naturally suffering from a number of political and economic problems at the present time. The Spanish stock market is generally felt that signs of economic recovery are appearing, although still some distance from a real upturn will be seen.

If the outcome of tensions is positive, it doubt that the stock market will offer very good growth potential. A widely expected that the market will be reflected in market prices and Angel Lasuncion

Costs

Spanish companies as a rule generate internal finance at a relatively low level, given the heavy investments carried out in recent years and the low profit margins caused by rising costs. As a result, they are obliged to bridge the gap with external finance. The capital market can help to solve this problem and costs of funds



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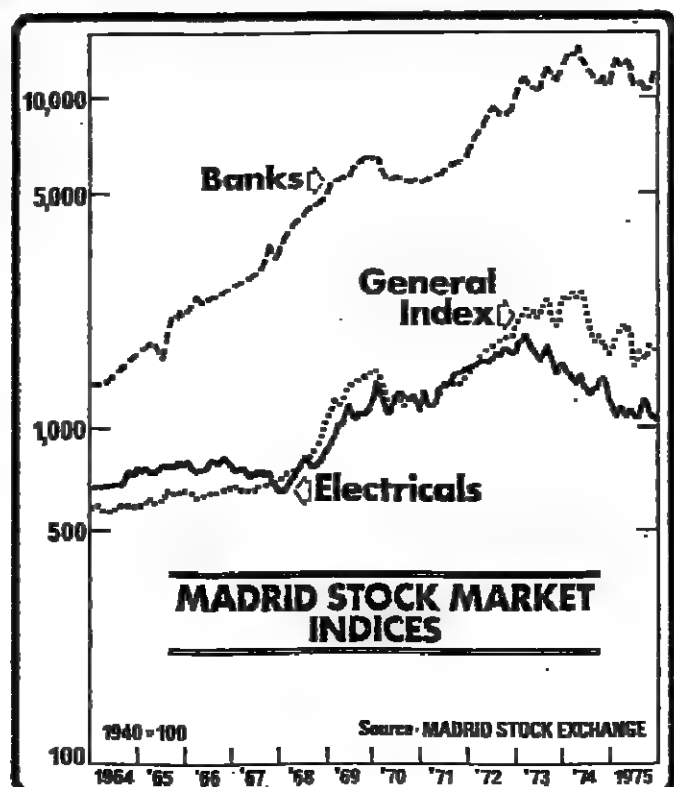
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Importance of foreign capital

THE YEAR 1969 was an important one for the Spanish economy. In that year an external economic liberalisation programme was introduced which has been much more significant for future economic growth than the three subsequent economic development plans. The 1969 policy consisted principally of a liberalisation of foreign trade, which brought an end to the 20 years of economic autarky initiated immediately after the Civil War.

Included in the "policy package" of 1969 was a liberal law on foreign investment. This is not the place for a detailed analysis, but with some exceptions, if the investment involved less than 50 per cent. of the corporation capital, no authorisation by the administration was needed, and higher percentages were authorised with a liberal attitude being taken in general. There is also freedom for disinvestment, profit repatriation, etc.

Spanish growth and profit opportunities, the external possibilities for investment by the OECD countries, the liberal legislation, political stability and comparatively low wages and taxes were the main reasons, in the opinion of investors, for the rapid growth of foreign capital in Spain since 1969.

Deficit

Foreign capital has been an important item in the Spanish balance of payments. In a simplified way, the main features of the balance of payments have been an increasingly important trade deficit, matched by income from tourism, emigrant remittances and foreign capital. The stock of foreign capital before 1969 was not large and the flows were comparatively important. This is an ideal situation for the balance of payments, which can be seen through a simplified example by taking a country with zero stock of foreign capital, which begins to receive every year 100 units of net foreign capital (disinvestment subtracted). That capital obtains 10 per cent. of net profit.

Simplifying further, let us assume that all profits are repatriated and that the profits are received from the first year onwards. In the first year,

there will be an inflow of 100 in the capital balance and an outflow of 10 through the balance of services. During the following year, the inflow will be similar but the outflow will be 20, since the 10 per cent. profit applies to a stock of 200. The outflows and inflows during the tenth year match each other. This is a very simple example, which brings to light the situation in Spain in 1969. Spain had a comparatively small stock of foreign capital and large flows, a situation which greatly differs from that of some Latin American countries.

Indeed, foreign capital has affected import substitution products and exports, though its marginal propensity to import is greater than the average, and unfortunately its export performance has not been very successful so far.

The accumulated investment authorised by the administration shows that the United States is by far the biggest investor in Spain, and its percentage share is even larger when the fact that part of U.S. funds are channelled through Switzerland is taken into account. The construction of transport material and the chemical industry are by far the most important sectors.

The balance of payments had large surpluses during the early 1970's foreign investment stocks were becoming larger, with possible negative economic effects: and the political influence of a rapidly increasing stock has also to be taken into

consideration. Therefore a more selective policy was initiated in 1973. But the effects of the international crisis, though affecting Spain somewhat late, required a fresh change in policy towards flows of foreign capital.

The most striking factor during the past couple of years has been the huge increase in foreign investment last year compared with 1974. But the main reason for this lies in the Government's approval of the Ford motor factory, which also highlights the tremendous importance of authorised U.S. investment in the transport sector.

The figure for 1975 (Ptas. 28bn.) accounts for a quarter of the total authorised (over 50 per cent. participation) investment during 1969-1974, and a 150 per cent. increase over 1974. An interesting point is that policy has again become less selective in 1975: only 23 projects totalling Ptas. 48bn. were not accepted, while the figure for 1974 was 45 projects and Ptas. 783m.

Reduction

However, the actual implementation of investment presents a different picture when compared with the authorisation of new capital during 1975. Foreign investment has decreased, especially in the purchase of real estate and in the stock market (which is not surprising, since the Spanish stock market is very depressed and foreign stock

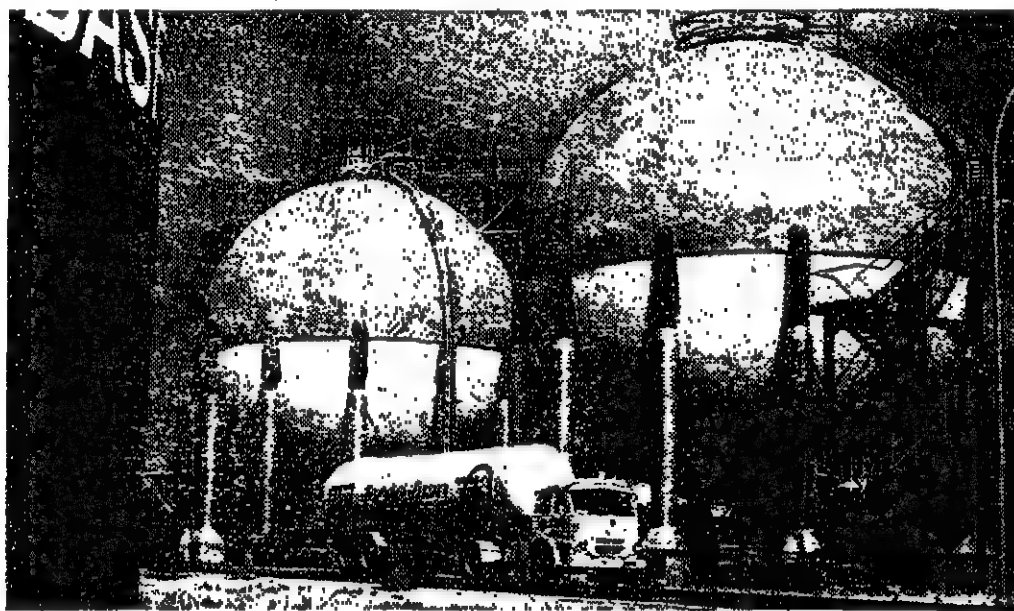
markets are in a better situation). On the other hand, direct investment has experienced a much more moderate reduction. As for future prospects the expected recovery of western economies—at least comparatively—the obvious possibilities for further growth in the Spanish economy and the existence of few other countries as adequate alternatives suggest that Spain will still be an important market for foreign investment.

If the evolution towards democracy is rapid and long lasting, Spain will become more attractive for foreign capital, particularly since that will imply a better negotiating position with the Common Market: Spain could become a good base for exports of both labour-intensive and intermediate industrial products towards the EEC.

A democratic Spain may imply comparatively higher wages and a more progressive fiscal policy, since the internal balance of power will be affected. Nevertheless, the advantages of a democratisation will outweigh the effect of these changes.

Finally it is worth stressing that, whenever the balance of payments improves, a more selective policy should be established in Spain where foreign capital is concerned since the existing stock will have greatly increased and this will affect the social benefit/cost ratios of foreign capital at home.

Luis Gamir



Storage tanks at BASF. Espanola's Tarragona complex.

Seeking fresh markets for unit trusts

ALTHOUGH CLOSED END funds existed in Spain from 1962, it was not until 1964 that regulations were published placing them on a solid legal basis. The minimum size was established at Ptas. 200m., and the composition of the portfolio, with maximum limits on holdings, was laid down.

These instruments have become extremely popular in recent years. In 1966 there were only 65 closed end funds and at present there are no less than 495. In the same period the funds' total assets rose from 2 per cent. of the total market capitalisation to 9 per cent. and their portfolios grew from Ptas. 9bn. in 1966 to Ptas. 23bn. in 1974.

The volume of trading of closed end funds has seen a compound annual growth of 68 per cent. more than twice the growth of the market as a whole. Liquidity is relatively acceptable, but patchy, 42 per cent. of trading volume in 1975. Observers have frequently been struck by the differences in quotation levels of closed end funds in Spain and elsewhere. It is normal in many countries for funds to quote at a discount on portfolio value, the average level in France being from 30 to 40 per cent., and in the U.K. about 24 per cent. In Spain closed end funds have traditionally quoted at a fairly substantial premium, due to the inflationary character of the stock market. In recent months, however, this trend has been sharply reversed, and quotations are currently heading towards discount position.

The structure of closed end portfolios varies considerably. Many bank-created funds are based on the banks' securities portfolios and are fundamentally an instrument of control. Other funds have been

set up on a freer and more technical basis, with varied portfolios of securities in the most profitable sectors of the economy. There are also a large number of family funds set up for tax reasons, which can take any number of different financial institutions authorised in Spain.

Liquidity

It is unlikely that there will be any further proliferation of this type of instrument, given current liquidity problems and the low dividends distributed. It is far more probable that the trend will be towards regrouping and even the disappearance of some of the existing closed end funds.

Unit trusts have only been a factor on the Spanish stock market for the past 10 years. Legislation permitting their creation was enacted in 1964, and the first three trusts were authorised two years later. Their number reached 24 in 1974 and seems unlikely to increase significantly in the near future.

The minimum legal requirement to set up a unit trust in Spain is Ptas. 1bn. (£7.7m.), and the management company must have a minimum capital of Ptas. 100m., increasing proportionately to the trust's volume. This is a considerable amount for the Spanish capital market, and it is no easy matter to find 1,000 persons willing to subscribe Ptas. 1m., which is equal to the average annual income of seven Spaniards. In other words, 7,000 average Spaniards would have to forego their entire income for a year to set up a new unit trust. Given the present weakness of the stock market, it is highly unlikely that the launching of a new unit trust through public subscription would be likely to prosper.

There are few financial groups, who have not already done so, who are in a position to set up a new unit trust. The result is obvious: an increasing concentration among a limited number of financial groups of the different financial institutions authorised in Spain.

The minimum capital laid down for a management company is also a drawback, since the figure of Ptas. 100m. (£800,000) in no way corresponds to the outlay in manpower, space and data processing needed to run a fund. The financing of this outlay could well come from current income rather than equity.

The first years of the unit trusts' presence on the Spanish stock market were spectacular, with a rapid acceptance by the investing public of this type of vehicle. At the end of 1968 the five funds in existence had a portfolio of Ptas. 33bn., which was 4 per cent. of the total capitalisation of the Madrid stock market. The 1970 crisis resulted in a sharp fall in the portfolio, and as a result unit trusts were obliged by law to maintain a 10 per cent. liquid balance to meet redemptions. Over the next three years there was a steady increase both in the portfolio and in the number of funds.

The present stock market crisis has had the same negative effects on the unit trusts. The impact of this on the stock market has been much less sharp, however, since the trusts no longer represent a really major factor on the market, accounting for only 1.5 per cent. of total market capitalisation in 1974.

By law, unit trusts are limited to a holding of 10 per cent. of their portfolio in one type of share, or 5 per cent. of a com-

pany's capital. Unit trusts can also invest in foreign stocks up to 10 per cent. of their portfolio, provided that this exceeds Ptas. 1bn.

The unit trusts' holdings of bank shares has gone up from 14 per cent. in 1969 to 25 per cent. at the present moment. The electrical sector, the second in popularity, has remained stable at around 13 per cent. Fixed interest securities have fluctuated, logically gaining importance in difficult years; in 1970, 5.2 per cent. of the trusts' portfolio was in fixed interest securities, and in 1975, 7.3 per cent.

Liquid assets in 1975 were held at about 15 per cent. Despite the varying investment policies of the different trusts, there is a general predominance of banking, electrical and fixed interest securities, with a high level of liquidity.

Difficult

From the market standpoint, most unitholders are middle class investors who find direct stock market investment difficult and who value the professional administration, official control and tax advantages offered by the trusts. Although the first years of the instruments' existence were marred by a certain lack of scrupulousness by some salesmen, which undoubtedly harmed prestige when the crisis came, the number of unitholders has gone steadily up from 125,000 in 1969 to 182,000 in 1975. Average investment, however, has slightly decreased.

Management companies are turning to savings plans and similar incentive based programmes in an attempt to open up new markets for unit trusts.

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One SDR is...	Mar. 26	Mar. 25
sterling	0.631072	0.600988
U.S. dollar	1.15344	1.15559
Belgian franc	45.1546	44.1471
Deutsche mark	2.93731	2.94476
French franc	6.54568	6.43672
Italian lire	979.755	971.034
Japanese yen	346.118	346.385
Dutch guilder	3.10871	3.10678
Swedish krone	2.93676	2.93786
Swiss franc	0.8858	0.8426

Values are for currencies against the SDR as calculated by the International Monetary Fund.

W JONES

VW dividend unlikely

VOLKSWAGENWERK management board director, Herr Toni Schmudeknecht said VW is highly unlikely to pay a dividend for 1976.

In an interview, Herr Schmudeknecht said: "We must first make good our loss of blood." VW passed its dividend in 1974 when the group net loss was DM807.4m. after paying 4 1/2 marks

Paris... 98.17-1515
Brussels... 12 50-50 1/2
London... 8.25-8 1/2
Amsterdam... 98.00-20
Frankfurt... 99.94-05

U.S. \$ in Montreal, U.S. \$ in New York, Sfrs 10L/10.72-12 Sterling in Milan 108/10.72-12

EURO-CURRENCY INTEREST

Mar. 29 1976	Sterling	U.S. Dollar	Cy
90-day term...	9 1/2-9 3/4	46 1/2-47	8
3-month term...	10 1/2-10 3/4	48 1/2-49	8
6-month term...	10 1/2-10 3/4	48 1/2-49	8
12-month term...	10 1/2-10 3/4	48 1/2-49	8

Belgium	107.48	107.39	113.18	104.54	Spain	107.42	107.32	113.18	104.54
Denmark	105.36	105.02	107.19	100.20	Sweden	107.42	107.32	113.18	104.54
France	70.5	70.3	72.1	68.1	Switzerland	107.42	107.32	113.18	104.54
Germany	107.1	106.9	111.78	104.54					
Holland	100.5	100.3	106.1	98.1					
Hongkong	456.40	428.01	465.35	354.73					
Italy	74.78	73.81	75.1	71.1					
Japan	338.29	342.40	356.1	331.1					
Singapore	351.37	351.35	351.37	351.35					

NEW YORK

[illegible]

Abney Glen Prop.
Abnigdon, N.H.

U.S. City	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
U.S. City	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

Algonia Steel
Asbestos
Bank Montreal...

[illegible]

Christian Ber. ...!
Commen. ...

[illegible]

Hudson Bay.....
Hudson Oil & Gas.....
I-95.....

[illegible]

Pacific Copper M.
Parker Petroleum
Pasc. Petroleum

[illegible]

Simpson	1
Steel of Canada	2
Steep Rock Iron	3

Chapman (PL 10)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 12)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 13)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 14)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 15)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 16)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 17)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 18)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 19)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 20)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 21)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 22)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 23)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 24)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 25)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 26)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 27)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 28)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 29)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 30)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 31)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 32)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 33)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 34)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 35)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 36)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 37)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 38)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 39)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 40)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 41)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 42)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 43)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld. (PL 44)	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Neuf. veld																																																	

6.638-54	4.88 89	14.80-70	23.25-06
2.660-25	1.9190-500	57.13-15	39.23-25

[illegible]

5% per cent, seven-day 5.75% per cent:
111-111 per cent: six months 111-111 per

AUSTRALIA		JHANNESBURG	
Mar. 55	Aust. 5	March 55	Apoll. 5
Apr. 55	Aust. 5	Apr. 55	Apoll. 5
May 55	Aust. 5	May 55	Apoll. 5
Jun. 55	Aust. 5	Jun. 55	Apoll. 5
Jul. 55	Aust. 5	Jul. 55	Apoll. 5
Aug. 55	Aust. 5	Aug. 55	Apoll. 5
Sep. 55	Aust. 5	Sep. 55	Apoll. 5
Oct. 55	Aust. 5	Oct. 55	Apoll. 5
Nov. 55	Aust. 5	Nov. 55	Apoll. 5
Dec. 55	Aust. 5	Dec. 55	Apoll. 5

Amplif. Raptolatum	10.82	+0.01
Amplif. Pet. rostratum	10.82	+0.01
Amplif. Mifurcata	15.0	+0.06

[illegible]

B. Z. Industries	15.60	3.00	10.00
F. & T. (20%)	10.85	1.00	10.00
Gen. Property Trust	11.85	1.00	10.00

[illegible]

Southland Mining	10.34
Stocks & Holdings	13.50

Western Mining 50 cents	11.75	
Woolworths	11.75	
Wootton	11.85	-0.02

Stock	Price	+ or -	Div.	Y. %
Mar. 26				
Am. Express	330	-5	14	8.1
Am. Gas	205			
Am. Sugar	410		16	1.8
Am. Traction	510	-7	15	1.4
Am. Wool	804		10	2.4
Am. Wool	795	-14		
Am. Wool	785		12	1.6

SPAIN		Per cent
March 26		
Asturias	100	8.0
Banco de España	100	8.0
Banco Bilbao	100	8.0
Banco Alcantara (1,000)	100	8.0
Banco Central	100	8.0
Banco Sestao (250)	100	8.0
Banco Exterior	100	8.0
Banco General	100	8.0
Banco Granada (1,000)	100	8.0
Banco Hispano	100	8.0
Banco Iberia	100	8.0

Kortlandt	365	-5	18	2.4	Ba
Kuipers	348	+2	15	2.1	Ba
Margashita Ind	632	-2	90	1.5	Ba

[illegible]

STOCKHOLM

[illegible]

Grand Enskilda ...	222	115	5.7
Landstik *B*(K-50)	98	0.8	5.0
Landstik	151	1	5.0

[illegible]

APR 20 1965

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INSURANCE, PROPERTY, BONDS

NOTES

G. W. JOYNSON
THE COMPANY LIMITED

Commodity Brokers
14 Trinity Square
London EC3N 4ES Tel: 01-480 6921
Telex: 855346
a member of the Inchcape Group

FT SHARE INFORMATION SERVICE

CANADIANS

Stock	%	Div. Yield	Div. Payout	Current Price
Am. Steel	12 1/2	4 1/2	\$1.60	12 1/2
Gen. Elec.	30 1/4	4 1/2	\$6.60	14 1/2
W. Union	35 1/2	4 1/2	\$3.44	15 1/2
U. S. Steel	39 1/2	4 1/2	\$5.00	16 1/2
U. S. Steel	20 1/4	4 1/2	\$1.28	17 1/2
U. S. Steel	13 1/2	4 1/2	\$4.00	18 1/2
U. S. Steel	100	4 1/2	\$1.00	19 1/2
U. S. Steel	26 1/2	4 1/2	\$1.00	20 1/2
U. S. Steel	61 1/2	4 1/2	\$6.00	21 1/2
U. S. Steel	27 1/2	4 1/2	\$1.80	22 1/2
U. S. Steel	29 1/2	4 1/2	\$1.00	23 1/2
U. S. Steel	19 1/2	4 1/2	\$1.40	24 1/2
U. S. Steel	72 1/2	4 1/2	\$8.00	25 1/2
U. S. Steel	19 1/2	4 1/2	\$8.00	26 1/2
U. S. Steel	25 1/2	4 1/2	\$1.00	27 1/2
U. S. Steel	24 1/2	4 1/2	\$8.00	28 1/2
U. S. Steel	26 1/2	4 1/2	\$1.00	29 1/2
U. S. Steel	21 1/2	4 1/2	\$1.28	30 1/2
U. S. Steel	21 1/2	4 1/2	\$8.00	31 1/2
U. S. Steel	13 1/2	4 1/2	\$7.00	32 1/2
U. S. Steel	95 1/2	4 1/2	\$5.00	33 1/2
U. S. Steel	72 1/2	4 1/2	\$5.00	34 1/2

BUILDING INDUSTRY—Continued

High	Low	Stock	Price	% Chg	Div Yld	P/E Ratio	1-Yr % Chg
83	82	Industrials	95	+5.17	7.1	8.1	9.1
10	9	Intel Corp.	105	+1.92	1.1	19.1	1.1
10	9	Time Warner	105	+3.18	1.1	19.1	1.1
10	9	PG & E	105	+2.58	2.1	19.1	1.1
10	9	Johnson & Johnson	105	+2.58	2.1	19.1	1.1
10	9	Merck & Co.	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1
10	9	Genentech	105	+2.58	2.1	19.1	1.1
10	9	Boehringer Ingelheim	105	+2.58	2.1	19.1	1.1
10	9	Novartis	105	+2.58	2.1	19.1	1.1
10	9	Roche	105	+2.58	2.1	19.1	1.1
10	9	Schering-Plough	105	+2.58	2.1	19.1	1.1
10	9	Amgen	105	+2.58	2.1	19.1	1.1</

DRAPERY AND STORES—Continued[illegible]

ENGINEERING—Continued

[illegible]

INDUSTRIALS (Miscel.)

171	151	A.A.F.	180m	19.1
116	80	AD	81	12.27
45	39	AGS Farm Hqs	41	1.41.23
69	64	A.P. Inds.	67	2.40
28	37	Asbury As. Hqs	57	1.60
28	21	Baker Isl.	23	12
17	15	Belmonte Isldg.	15	11.4
137	137	Cable Inds. Hqs.	138	12.78
57	57	Ch. Navy Bn.	54	12.79
37	25	Dilled Inv. Co.	36	0.35

****BRITISH FUNDS**

76%	Low	Stock	to Five	Yield	25%	20%	15%	10%	5%
High			Percent	Int.	25%	20%	15%	10%	5%
92	92	Shorts: 100% up	92	4.54	5.19	271	271	271	271
91	91	Victory: 100% up	91	4.54					
90	90	Treasury 100% up	90	4.54					
89	89	Treasury 100% up	89	4.54					
88	88	Treasury 100% up	88	4.54					
87	87	Treasury 100% up	87	4.54					
86	86	Treasury 100% up	86	4.54					
85	85	Treasury 100% up	85	4.54					
84	84	Treasury 100% up	84	4.54					
83	83	Treasury 100% up	83	4.54					
82	82	Treasury 100% up	82	4.54					
81	81	Treasury 100% up	81	4.54					
80	80	Treasury 100% up	80	4.54					
79	79	Treasury 100% up	79	4.54					
78	78	Treasury 100% up	78	4.54					
77	77	Treasury 100% up	77	4.54					
76	76	Treasury 100% up	76	4.54					
75	75	Treasury 100% up	75	4.54					
74	74	Treasury 100% up	74	4.54					
73	73	Treasury 100% up	73	4.54					
72	72	Treasury 100% up	72	4.54					
71	71	Treasury 100% up	71	4.54					
70	70	Treasury 100% up	70	4.54					
69	69	Treasury 100% up	69	4.54					
68	68	Treasury 100% up	68	4.54					
67	67	Treasury 100% up	67	4.54					
66	66	Treasury 100% up	66	4.54					
65	65	Treasury 100% up	65	4.54					
64	64	Treasury 100% up	64	4.54					
63	63	Treasury 100% up	63	4.54					
62	62	Treasury 100% up	62	4.54					
61	61	Treasury 100% up	61	4.54					
60	60	Treasury 100% up	60	4.54					
59	59	Treasury 100% up	59	4.54					
58	58	Treasury 100% up	58	4.54					
57	57	Treasury 100% up	57	4.54					
56	56	Treasury 100% up	56	4.54					
55	55	Treasury 100% up	55	4.54					
54	54	Treasury 100% up	54	4.54					
53	53	Treasury 100% up	53	4.54					
52	52	Treasury 100% up	52	4.54					
51	51	Treasury 100% up	51	4.54					
50	50	Treasury 100% up	50	4.54					
49	49	Treasury 100% up	49	4.54					
48	48	Treasury 100% up	48	4.54					
47	47	Treasury 100% up	47	4.54					
46	46	Treasury 100% up	46	4.54					
45	45	Treasury 100% up	45	4.54					
44	44	Treasury 100% up	44	4.54					
43	43	Treasury 100% up	43	4.54					
42	42	Treasury 100% up	42	4.54					
41	41	Treasury 100% up	41	4.54					
40	40	Treasury 100% up	40	4.54					
39	39	Treasury 100% up	39	4.54					
38	38	Treasury 100% up	38	4.54					
37	37	Treasury 100% up	37	4.54					
36	36	Treasury 100% up	36	4.54					
35	35	Treasury 100% up	35	4.54					
34	34	Treasury 100% up	34	4.54					
33	33	Treasury 100% up	33	4.54					
32	32	Treasury 100% up	32	4.54					
31	31	Treasury 100% up	31	4.54					
30	30	Treasury 100% up	30	4.54					
29	29	Treasury 100% up	29	4.54					
28	28	Treasury 100% up	28	4.54					
27	27	Treasury 100% up	27	4.54					
26	26	Treasury 100% up	26	4.54					
25	25	Treasury 100% up	25	4.54					
24	24	Treasury 100% up	24	4.54					
23	23	Treasury 100% up	23	4.54					
22	22	Treasury 100% up	22	4.54					
21	21	Treasury 100% up	21	4.54					
20	20	Treasury 100% up	20	4.54					
19	19	Treasury 100% up	19	4.54					
18	18	Treasury 100% up	18	4.54					
17	17	Treasury 100% up	17	4.54					
16	16	Treasury 100% up	16	4.54					
15	15	Treasury 100% up	15	4.54					
14	14	Treasury 100% up	14	4.54					
13	13	Treasury 100% up	13	4.54					
12	12	Treasury 100% up	12	4.54					
11	11	Treasury 100% up	11	4.54					
10	10	Treasury 100% up	10	4.54					
9	9	Treasury 100% up	9	4.54					
8	8	Treasury 100% up	8	4.54					
7	7	Treasury 100% up	7	4.54					
6	6	Treasury 100% up	6	4.54					
5	5	Treasury 100% up	5	4.54					
4	4	Treasury 100% up	4	4.54					
3	3	Treasury 100% up	3	4.54					
2	2	Treasury 100% up	2	4.54					
1	1	Treasury 100% up	1	4.54					
0	0	Treasury 100% up	0	4.54					

#BANKS AND FIRE PURCHASE

BANKS AND HIRE PURCHASE									
1976				+	or	Div		Yld	
High	Low	Stock	Price	-		Net	Cvr	Gr's	Pf
220		Alexanders D El.	220	-8.		11.67	-	8.2	-

ELECTRICAL AND RADIO

7	58	A.B. Electronics	59	-2	4.1	1570.9
7	22	Allied Instruments	37	+1.2	185	2.5
17	22	And. Fidelity 10p	28	.....	4.0	3.4
1	109	BICC 50p	119	.....	96.61	.....
14	.....	BSR 10p	113	-2	2.9	.....
11	37	Best & May 10p	40	-1	12.27	1.9
12	34	Bowthorpe 10p	41	-1	71.23	3.3
7	109	Br. Electronic 10p	17	.....	0.75	2.6
1	41	Bricks 10p	10	.....	12.55	2.6
59	121	Bign. A.V. 5p	141	.....	1.88	.....
1	.....	.....	.....	.....	.....	11.9

CHEMICALS, PLASTICS

121	Alex. NV FL 20	513	+4	—	—	—
72	Albright Wilson	98	-2	3.75	0.21	5.9
166	Algonquin	265	-2	12.5	1.7	9.5
77	Alb. & Peck 110	81	—	5.18	0.9	18.0
103	Alb. & Cold 110	118	-2	13.24	6.4	1.7
45	Anchor Chem	48	+1	3.4	2.7	10.9
37	Bull W.W.	44	—	1.5	4.1	5.2
140	Boyer AG. DM 50	146	+1	0.07	1.4	3.3
107	Blagdon Noakes	116	-2	5.48	0	7.7
96	Brent Chems Zips	167	+2	11.53	6.5	2.2
17	Brit. Benzol 110	20	—	0.98	5.2	7.6

ENGINEERING, MACHINE TOOLS

73	A.C.E. Machinery	23	2.75	3.5	5.5	7
250	A.P.V. 50p	763	18.70	3.1	5.1	8
116	Arrow (Rags)	130	3.69	2.6	4.4	12
111	Do 'A'	123	3.69	2.6	4.4	12
133	Advest Group	149	6.31	3.3	6.5	7
ES8	African Sp Co	571 ¹ / ₂	0.94	—	12.4	—
66	A.I. 20 Balfour	76	63.94	2.6	8.0	9
30	Allen W.G.	98	2.39	2.7	9.4	6
42 ¹ / ₂	Alumina in Corp	47	2.95	6.2	9.7	2
46	Amal Power	53	3.05	2.7	8.9	6
41 ¹ / ₂	Andria, Sydney Sp	42	12.12	1.9	7.8	10

FOOD GROCERIES ETC

FOOD, GROCERIES, ETC.				
122	Adams Foods 10p	34	61 1/2	2.5
105	Alpine Soft D 10p	105	15 1/2	1.9
66	Ass. Biscuit 20p	72	-1	3.1
58	Ass. Brit. Fds 3p	62 1/2	11 59	4.2
200	Ass. Dairies	206	-2	8.7
23	Ass. Fisheries	25	+1	
142	Avenue Group 5p	16	0.16	
144	Banks (Sims) C	51 1/2	3.0	6.5
320	Barker & D. 10p	4		2.6
126	Barr (A.G.)	168	5 1/2	¢

CINEMAS, THEATRES AND TV

95	Anglia TV "A"	114	.....	6.8	0	9.2
71	Asse. Tele. "A"	74	.....	13.9	14	8.1
19	Grampian "A" 10p	24	-1	20.35	—	2.2
19	B'w'd Wyrld 20p	15	.....	—	—	—
45	B.T.V.	68	.....	12.25	19	9.9
62	Rediff. TV Prod. 61	68	.....	5.95	194	13.5
18p	Scott. TV "A" 10p	27nd	-1	1.3	0	7.4
30	Trid' TV "A" 10p	38	.....	2.11	1	8.5
33	Ulster TV "A"	48	+1	3.2	16	11.4
13	W'sward TV 10p	17½	-½	1.0	19	9.3

47	Birmingham Mail	58	13.50	—	9.5	—
55	B'ham Pallet 10p.	69	5.0	26	11.2	5.
130	Blackw'd Hodge	100	N39	107.0	42	8

24	11 1/2	Blakelys	14 1/2	1.61	1.7	17.1	7
24	24	Bosner Eng. 2hp.	26	+1	1.17	6.9	6.9
24	16 1/2	Boslon Wm 1hp.	21		1.02	2.3	7.5
32	32	Brabon Wm 1hp.	39		b2.08	2.9	8.4
83	83	Brackstrale F.	166		76.57	2.4	9.2
45	45	Brayson Wp.	47	+3	1.99	10.7	6.5
24	24	Brown Doug. 1hp.	27		71.74	2.6	9.5
66	66	British Northrop.	102				3.8
35	35	Bnt. Robin Kerr.	39 1/2		2.37	1.6	9.3
66	66	Brit. Steam 3hp.	74		14.6	2.1	9.6
49	49	Buck	56	-1 1/2	2.95	1.9	7.7

FOREIGN BONDS & RAILS

High	Low	Stock	1970 2	1971 3	Div- idend Growth	Yield
12	10	Amstar/Ryan Rly	10	—	—	—
31	31	Do. Spc. Prod.	31	—	—	—
95	95	Berlin 44-yr Am.	95	4 1/2	—	9.19
94	94	Chicomil Mixed	94	—	—	13.21
192	192	Green Yag. 4-yr	193	3 1/2	—	—
60	60	Growth Trp. Ass.	60	3 1/2	—	15.93
55	55	Sp. C3 S&P. Am.	55	—	—	15.45
50	50	Sp. Mixed Am.	50	2	—	15.28
50	50	Harc. 74 Am.	51 1/2	4 1/2	—	13.48
50	50	—	52	6 1/2	—	13.48

BEERS, WINES AND SPIRITS

63	Allied Brew.	66	-1	3.2	1.9	7.5	38
24	Amal. Dis. P. 10p	39	-1	11.95	3.4	10.7	11
16	Baird (Hug) 5p	34		10.56	7.7	2.5	7
93	Bass ("bar gun	98		3.94	2.4	6.2	10
142	Bell Arthur Sp	156		5.56	6	5.6	6
74	Boddingtons	66		1.89	6	3.8	6
66	Brown (Matthew)	66		2.81	2.5	6.6	9
80	Buckley's Brew.	30		10.91	4.1	4.7	8
39	Bulmer (K.P.)	102		12.89	4.3	4.4	8
58	Burton Wood	60		2.52	3.8	6.5	6
43	City Lion Def.	45		2.01	1.1	6.9	21

BUILDING INDUSTRY, TIMBER & ROAD

71	Aberdeen Const.	72	-1	13.45	4.28	7.4	4.8
102	Aberdeen Cem.	108	5.0	2.4	7.1	4.4	4.8
12	Allied Plant Sp.	22	-2	10.65	7.1	4.4	4.8
167	Am. Am. Asphlt.	173	16.5	11.2	5.8	9.7	4.8
65	Armstrong Shkns.	72	33.9	1.2	3.19	4.8	4.8
170	A.P. Cement Co.	186	-2	7.6	4.27	6.5	4.8
22	B.C.A. Sp.	24	+2	2.03	3	13.0	4.8
143	B.P.B. Inds. Stp.	151	16.21	3.6	6.3	7.7	4.8
1	De Tape Co. Sp.	597	Q7%	4.1	4.83	4.8	4.8
1	Engle Bros Bk	27	1.9	1.4	10.8	10.8	4.8
26	Bay Ridge Bk	11	0.74	2.4	10.8	10.8	4.8
11	Bay Ridge Bk	27					4.8

1976 High Low	Stock	P	+ or -	Div. Grain	CY	Yr Gr
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20 1/2	ASA	21 1/2	80c	1
45	AIRP 5% Conv. 37	45 1/2	5 1/2	2
35	Amx 51	44 1/2	51 7/8	2
17 1/4	Asad. Sprng 56	23 1/2	51 40	3
31	Baker Int'l. Corp. 51	37 1/2	41 1/2	3
12 1/2	Bell & Howell 1	19 1/2	84c	3
34 1/2	Bondix Corp. 53	45 1/2	52 28	3
25 1/2	Beth. Steel 38	34 1/2	52 00	3
45 1/2	Brown & Fer. 06 1/2	64 1/2	20c	3
65 1/2	Brunswick Corp. 11	12 1/2	64c	3
67 1/2	Burroughs Corp. 55	82 1/2	48c	1

884p Zapala Corp. 25c — 10½ a30c — 0.8
E 1st Premium 52% (based on \$1.9165 per c)

TRUSTS—Continued

[illegible]

additions, & ex. controls, & ex. strip issues & ex. rights
 & ex. & ex. capital distribution

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on
 Stock Exchanges throughout the United Kingdom for
 fee of £325 per annum for each security

Unless otherwise stated, percentages indicated, prices and net dividends are in pence and denominated in £s. Price, Estimated, previous/current ratios and cover are based on latest annual reports and accounts available. Dividend cover is based on half-yearly figures. Dividends are adjusted to ACT at 25 pence rate. FYBAs are calculated on the basis of the current year's earnings, divided by 10 pence per share, or more, less any difference if calculated on "all" distributions. Covers are based on "maximum" distribution. Yields, assuming maintenance of current dividend, are based on the current year's earnings. Dividends are gross and allow for value of tax deducted by shareholders and rights, if any, are assumed to be exercised. Other than dividend we make no allowance of the investment dollar premium.

A Sterling denominated securities which include investment dollar securities.

B Dividend cover based on half-yearly figures.

C Rights and Loans marked thus have been adjusted to allow two rights issues for each £100 of ordinary shares.

D Interim since increased or resumed.

E Interim since reduced or omitted or deferred.

F Figures or report waived.

G Dividend cover based on reserve allocations may preclude calculation of dividend cover.

H Price at time of suspension.

I Dividend cover based on previous year's rights issue cover relates to previous dividend or free asset.

J Dividend cover based on previous year's earnings.

K Merger bid or reorganisation in progress.

L Not comparable.

M Dividend cover based on reduced final and/or reduced earnings indicated.

N Dividend cover based on US profits.

O Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.

P Dividend cover based on rights which may also rank for dividend at a future date. No P/E ratio usually provided.

Q Dividend cover based on P/E ratio.

R Reciprocal price.

S No par value.

T Figures based on prospectus or other official estimate.

U Figures at Dividend rate paid or payable on part of share.

V Dividend cover based on previous year's earnings.

W Yield, P/E ratio, Y Assumed dividend and yield.

X Assumed dividend and yield after scrip issue.

Y Payment of dividend in scrip.

Z Dividend cover based on preliminary figures.

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Send troops call to U.K. by Kaunda

BY BRIDGET BLOOM

LUSAKA, March 29.

THE only alternative to an escalating guerrilla war against white Rhodesia is military intervention by Britain and the imposition by Britain of a settlement leading to majority rule within one year, President Kenneth Kaunda of Zambia said here today.

Talking to reporters at State House this morning, he said that following the failure of the Smith-Nkomo talks a "genuine" initiative by Britain would now be the "best thing" for Rhodesia, for it would save lives and help bring the war to a rapid end.

Asked what he meant by "genuine," Dr. Kaunda outlined two stages to bring majority rule to Rhodesia within a year. First, Britain should arrest the rebels including, he suggested, Mr. Ian Smith and his Ministers, and dissolve Parliament.

All groups
Then, Britain should appoint and chair an interim executive committee representing all racial groups, and including the external and internal wings of the African National Council and "genuine" whites like Garfield Todd and the repentant Roy Welensky (respectively former Rhodesian Prime Minister, and Former Prime Minister of the defunct Central African Federation).

This committee, which the President emphasised, must also include representatives of the freedom fighters, would have to "work flat out" for one year to arrange elections on the basis of one man, one vote.

Dr. Kaunda was asked whether such a solution would have to involve British military intervention in Rhodesia. He replied: "Yes, without qualification." He added that if Britain was unable to undertake such action "then they'd better keep out altogether."

President Kaunda said he had not put his proposals to the British Government and his replies to earlier questions suggested that he did not have much hope of their being concerned.

As far as he was concerned, there had been "no move at all from Britain" in the present circumstances of Rhodesia.

But it seemed virtually to rule out the possibility of

British military intervention in Rhodesia. Dr. Kaunda left no doubt at all of his belief that the guerrilla war against Rhodesia would now be intensified. Joshua Nkomo and his colleagues had, he said, "proved beyond doubt the intransigence of Mr. Smith's Government."

"We are intensifying the war against Rhodesia—that is very clear indeed. There is now no other course left to the masses in Rhodesia," Zambia—and the neighbouring states of Tanzania, Mozambique and Botswana, whose Presidents met here last week—were all determined to give every support to Rhodesia's liberation movements in their battle for freedom, Dr. Kaunda said.

Referring to suggestions that the four Presidents were encouraging the emergence of a new leadership from among the guerrilla fighters—whom President Nkomo termed the "third force" of the Rhodesian liberation struggle—Dr. Kaunda said: "At no time has any of us thought in terms of creating leadership. This would be another form of imperialism."

It was, however, essential that all the Rhodesian nationalists should find unity, "if we are to save ourselves from another Angola." Without unity, what would happen in Rhodesia could be "bloodier than Angola."

Crucial

There was a crucial role for those inside, as well as outside, Rhodesia. There had to be people who would blow up bridges, damage roads, or put sand in the carburetors of vehicles, but Dr. Kaunda refused to say whether this had been specifically discussed as part of the new war strategy.

Asked about the possibility of Cuban or other foreign intervention on behalf of the Rhodesian nationalists, Dr. Kaunda said there was "no question" of either the African States or the fighters themselves wanting foreign troops, although that situation would change if foreign troops aided Rhodesia.

Tony Hawkins reports from Salisbury: Rhodesia flew into Lusaka today for talks with President Kaunda. This is the nationalist leader's third visit to the Zambian capital within ten days.

U.K. French Concorde talks



BRITISH AND French leaders meet in Paris for talks on the future of the Concorde. Left to right: Mr. Stanley Clinton Davis, British Under-Secretary, Ministry of Trade; Mr. Marcel Cavaille, French Transport Minister; and Mr. Gerald Kaufman, Minister of State for Industry.

Saudi Arabia may buy 300 U.K. fighter-bombers

BY RICHARD JOHNS, MIDDLE EAST EDITOR

SAUDI ARABIA appears to have entered into serious negotiations with the British Government over the possible purchase of as many as 300 Jaguar fighter-bombers.

This emerged yesterday as the first meeting of the U.K.-Saudi Arabian joint commission for economic co-operation—which has been established to stimulate and expand British participation in the Kingdom's \$142bn. five-year development plan—began in London.

The forum, set up as a result of Crown Prince Fahd's official visit to Britain last year, will not cover talks over the sale of the aircraft.

These have now reached the point that Air Chief Marshal Sir Andrew Humphrey, Chief of Air Staff, recently visited Riyadh with a top-level delegation.

It is understood that Saudi Arabia may be prepared to spend more than £1bn. on purchasing these aircraft.

Also at stake are contracts for maintenance and further development of air force infrastructure in the Kingdom with a value of up to £15m.

In December, Prince Turk

bin Abdel-Aziz, Saudi Arabian Deputy Minister of Defence, visited London for discussions with Mr. Roy Mason, Secretary of State for Defence, and senior British officials.

The Prince, who was accompanied by the Commander-in-Chief of the Saudi Air Force, acknowledged the Kingdom's "interest" in the Jaguar, but added that no serious discussions had yet taken place.

Nothing as dramatic as a major arms deal will emerge from the three-day consultations on economic collaboration this week, aimed at identifying areas where British Government agencies and U.K. companies can become involved in projects in the Kingdom.

New towns
One example is new towns in the Kingdom—a high Saudi priority—for which the Department of the Environment has been working on detailed proposals and also seeking to mobilise U.K. companies with relevant expertise.

The Saudi side is headed by Mr. Abdullah Al-Reza, Deputy Minister of Foreign Affairs, and the British at senior official level, by Mr. John Kaines, an Under-Secretary at the Board of Trade.

The talks will take up a number of questions covered by Mr. James Callaghan, Foreign Secretary, when he paid an official visit to Saudi Arabia in November.

Apart from new towns, they include hospitals and health services, schools and education, ports, telecommunications and construction in general.

On Wednesday, senior representatives of British companies, which might be able to implement projects agreed on a government-to-government basis will be called in to take part in the commission's work.

Yesterday afternoon, Mr. Al-Reza and other members of the nine-man Saudi delegation paid calls on Mr. David Ennals, Minister of State, Foreign and Commonwealth Office; Sir Anthony Part, Permanent Secretary, at the Department of Industry, and Sir John Llewellyn, head of the British Council. Last night, they were being entertained to dinner by Mr. Peter Shore, Secretary of State for Trade.

THE LEX COLUMN

Booker minus Guyana

Booker McConnell's results confirm that future earnings are not likely to be hit badly by nationalisation in Guyana and the shares jumped 13p to 141p yesterday. Profits for 1975 are £2.2m. higher at £16.1m. pre-tax and the chances are that Booker can sustain this sort of return in 1976—when the tax charge should be easing down usefully from last year's 38 per cent. The group stands to lose profits in Guyana of around £0.8m. at the net attributable level in spirits and shopkeeping and manufacture, but losses on sugar are currently not far behind that.

At the same time, it is doubtful whether the balance-sheet will suffer too much from nationalisation either. End-1975 tangible shareholders' funds probably emerge at around £46m. (excluding minorities of maybe £6m.) of which £19m. is known to be Guyana. Net borrowings are now up to £20m. But half Booker's debt is now in Guyana, so on the very worst assumptions—no compensation at all—net assets would still top group borrowings by a comfortable £16m. or so.

Much of last year's upturn in profits was due to loss elimination. But Booker reckons its food businesses will hold up reasonably well this year and that the further growth in the engineering division—30 per cent. of net attributable profits last year—should offset weakness in shipping; orders for sugar machinery now top £40m. with work here stretching into 1977.

Booker's market capitalisation of £35m. is still a quarter down on its 1975 peak, and the earnings background in the U.K. contains a number of weak areas. But a sixth of profits were earned overseas last year (excluding Guyana) and the 6.4 per cent. yield is covered 3.5 times.

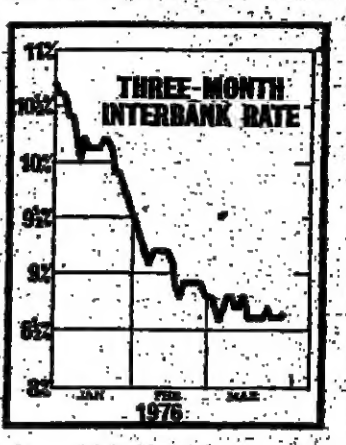
English Property

English Property's report underlines its continued heavy involvement in development, which accounts for a quarter of property assets with commitments under contract of £70m. and a further £50m. authorised. Moreover, EPC is capitalising its two-thirds share of £11,000,000 development out each—down from £2,500 to £1,250 in 1975-76, though the group points out that in cash flow terms development spending as a whole will be covered

Index fell 4.0 to 406.4

by disposals this year. Short-term borrowings have fallen even further since last October: while the debt profile has been considerably improved since 1973, EPC remains highly geared even when Times is deconsolidated, to show equity of £121m. and debt of £268m. Last night's price of 34p is a low for the year and compares with a published fully diluted net worth of 138p.

Barratt
The upturn at the lower end of the housing market is now definitely working through to profits: for the six months to the end of December, Barratt



Developments in 1976 are up at £4.36m. pre-tax. The newly acquired James' accounts for £1.23m. of the increase, and with profits from land sales down from £476,000 to £24,000, trading and other income of the group (ex-James) is two-fifths higher on a 54 per cent. increase in turnover. So the two-year decline in margins continued against the background of a 12 per cent. rise in Barratt's prices during calendar 1975, but an 18 per cent. jump in building costs.

Margins now appear to be stabilising and Barratt reckons that prices will rise by 12 per cent. during 1976, at least keeping pace with costs. Moreover, the group is talking about increasing unit sales of which two-thirds are below £11,000, aware it would have to propose a new director before Mr. Whitehorn would be forced out, so in a further 1,500 coming in from James. The target is 8,000 over all for calendar 1976.

The rent roll is now running at about £1m. a year and with a record contracting order book, Barratt should make over £9m. pre-tax in the year to June, which puts it in a different league from most of the other housebuilding specialists. Its shares have shown a considerable strength relative to the sector for a long time—partly reflecting the low gearing—though a capitalisation of £32m. at 119p is still a long way from the glamour ratings of the last bull market.

Silenthloc
Results of the polls taken at last Friday's general meetings of Silenthloc confirm that BTR, through its 27 per cent. shareholding, has succeeded in blocking the proposed adoption of new Articles. It has also achieved a majority against the re-election of Silenthloc's chairman, Mr. C. F. Whitehorn, chief legal officer of Prudential Assurance. But through a technicality Mr. Whitehorn stays on because no new director was proposed in his place—though ironically, under the new Articles he would have had to go.

Public rows of this nature are rare in the City, and the question is why, when there has been a lengthy history of poor relations between Silenthloc and its major shareholder ever since the bid failed in 1971. The Board did not sound out BTR in advance. Silenthloc says that the new Articles were considered to be non-controversial, and it was not necessary to consult with particular shareholders, although the proposed new borrowing powers were cleared with the institutional investment protection committees. But however innocent its intentions, it seems to have made a misjudgment.

For its part, BTR was perfectly entitled to vote against proposals which, rightly or wrongly, it considered were endangering its interests. BTR was especially sensitive about the points relating to the appointment and removal of directors. But it is less clear that it was well advised to hammer home the point by trying to remove the chairman. Or did it? BTR now says that it was aware it would have to propose a new director before Mr. Whitehorn would be forced out, so in a further 1,500 coming in from James. The target is 8,000 over all for calendar 1976.

Report on collapse of V & G out soon

By Margaret Reid

THE long-delayed report of the Department of Trade inspectors into Vehicle and General Insurance, which collapsed in 1971 leaving a million motorists without cover, is expected to be published within the next two weeks or so.

The V&G failure, which prompted many searching questions about supervision of insurance companies, and in turn, led to legislative action to tighten control, was followed quickly by an official inquiry.

Mr. Michael Eastman, QC, and Mr. R. T. M. McPhail were appointed to investigate the affairs of the company.

On July 19, 1972, the then Minister for Trade, Mr. Michael Noble, now Lord Grenting, told the Commons that a copy of the report of the inspectors had been sent to the Director of Public Prosecutions.

Police inquiries were then being made, said Mr. Noble. These would inevitably take a considerable time, and meanwhile the report would not be published.

In March last year, Mr. Sam Silkin, Attorney-General, told the Commons that the Director of Public Prosecutions had received the report of police inquiries into the collapse of Vehicle and General.

Mr. Silkin added that the Director was considering the report, in consultation with counsel and what action should be taken.

Minister orders inquiry into asbestos health risks

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

A WIDE RANGING review of the health risks from asbestos is to be made by a Government advisory committee, Mr. Harold Walker, Under Secretary for Employment, said yesterday.

He was answering a demand from Mr. Max Madden, Labour MP for Sowerby, that the Government should establish a commission or official inquiry "into all the benefits and hazards associated with asbestos."

Mr. Madden insisted that the inquiry should look at all aspects, including the risks to those working with asbestos and the public who may come into contact with asbestos materials.

"Any report should be able to set out the benefits and risks of asbestos and allow the community as a whole to decide whether asbestos is acceptable. This important issue cannot be evaded any longer."

He made his demand following publication of a report by the Parliamentary Commissioner (the Ombudsman) Sir Alan Marre on the operations of the Factory Inspectorate in respect of the Cape Asbestos plant at Heddon Bridge. The plant is in Mr. Madden's constituency.

The report severely criticised factory inspectors who policed conditions at the Acre Mill plant where 40 people died from asbestosis, a lung disease, during the years from 1939 to 1970 when it was operating.

Mr. Walker, for the Employment Department, yesterday accepted the criticism. "The

Chief Inspector of Factories agrees with hindsight that even with the difficulties they then faced they could have enforced the regulations more rigorously."

However, the findings do not constitute the kind of revelation of gross maladministration and inefficiency which some might have been expecting," he said.

Mr. Walker pointed out that new asbestos regulations came into force in 1970, they were backed by stricter hygiene standards and were being strictly enforced. "There is no room for complacency but as the report acknowledges, the health and safety picture concerning the industrial use of asbestos has vastly improved."

Radical change

The regulations were already being reviewed in the light of the first five years experience. "The Health and Safety Commission have made suggestions to other Government departments regarding the setting up of an advisory committee to undertake a wide ranging review of the health risks from asbestos and to make recommendations on any further action which in their view ought to be taken."

The Health and Safety Executive, into which the Factory Inspectorate was absorbed, maintained last night that "if anything still remains to be put right this will be done" but "the position has changed radically since the mill closed in 1970 and

the Executive is satisfied that the new regulations are being rigorously enforced."

Cape Industries, owner of the plant, stated: "In all the circumstances we consider that it is not appropriate for us to comment on a report that is concerned with the activities of factory inspectors."

The complaints to the Ombudsman were made by two of whom did not work at the factory. In part, it was suggested that the Factory Inspectorate failed to carry out its inquiries properly and Sir Alan found this to be so.

"I have concluded from my investigation that the quality of attention given to Acre Mill was not as high as it could and should have been," he declared.

"In my view there were shortcomings in the way those concerned in the department tackled their tasks over a period. Partly as a result of this, the need for more decisive action was not properly recognised at an earlier date."

"A more persistent and co-ordinated effort by several parts of the inspected party might well have led to different results."

While the inspectors had known since 1964 that asbestos dust was highly injurious, "I am not convinced that they were sufficiently decisive either in conveying to the management the sense of urgency or in pursuing the question of a prosecution when improvements were not forthcoming," he declared.

At present no further talks are arranged on their dispute, which centres on the interpretation of last year's agreement which expired in February.

The strikers claim that management owes them back-pay of up to £3 a week because of miscalculation on overtime and other premium payments although the management and the Engineering Employers Federation reject this view. The company has offered to go to arbitration but so far the strikers have declined.

The dispute revolves round the 1940 national toolroom agreement concluded by the EEF and the AUEW which guarantees that toolroom workers will not receive less than skilled production men employed in their plants. But the issue is complicated by improved minimum rates agreed for Rover workers in January, 1975, as an inducement to fall in line with Leyland's worker participation plans.

The toolroom men reject that proposal and therefore do not qualify for the improved base rates which in turn meant they did not receive improved premium payments enjoyed by the other grades.

Further problems emerged for Leyland yesterday when 700 men at the Llanelli body pressings plant who returned to work only last Friday, walked out again over the same issue. The dispute is over the process for upgrading men to skilled jobs in the press shop. The men, members of the Transport and General Workers' Union, will meet again today.

Continued from Page 1 Leyland

ing any progress. Talks were also continuing last night between Triumph management and the Coventry toolroom strikers who are seeking an extra £1.85 a week to achieve parity with toolsmiths at the plant.

Yesterday, the effects of the Coventry stoppage percolated through to the Triumph works at Speke, Liverpool, where 630 workers were laid off from the Dolomite body lines.

Last night's resumption of talks which began over the weekend indicates that the strikers' representatives are eager to find a solution to the dispute which has now made almost 3,000 of their colleagues idle.

The third dispute, involving 400 toolmakers at Rover plants in the Midlands and Cardiff, has laid off more than 4,500 workers and may prove the most difficult to settle.

At present no further talks are arranged on their dispute, which centres on the interpretation of last year's agreement which expired in February.

The strikers claim that management owes them back-pay of up to £3 a week because of miscalculation on overtime and other premium payments although the management and the Engineering Employers Federation reject this view. The company has offered to go to arbitration but so far the strikers have declined.

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Weather

U.K. TO-DAY
RAIN or showers, some wintry, in the North. Brighter in the South.
London, E., S.E., S.W. and Cent. S. England, E. Anglia, Midlands, Channel Is., S. Wales. Dry, bright periods. Wind W. fresh or strong. Max. 11C (52F).

N. Wales, N.W. and Cent. N. England
Showers, bright periods. Wind W. strong. Max. 10C (50F).
Lancs. L. at Mersey, N.E. England, Borders, S.W. Scotland, N. Ireland. Rain at times. Snow on hills. Wind W. strong to gale. Max. 7C (45F).

Rest of Scotland.
Showers or rain. Snow on hills. Wind W. strong or gale. Max. 5-6C (41-43F).

Outlook: Showers, sunny spells. Lighting up: London 20.00. Manchester 20.10. Glasgow 20.21. Belfast 20.37.

BUSINESS CENTRES

City	Yday	Mid-day	Yday	Mid-day
Algeria	10	10	10	10
Amsterdam	10	10	10	10
Antwerp	10	10	10	10
Bombay	10	10	10	10
Buenos Aires	10	10	10	10
Calcutta	10	10	10	10
Canton	10	10	10	10
Cebu	10	10	10	10
Hankow	10	10	10	10
Hong Kong	10	10	10	10
Kobe	10	10	10	10
London	10	10	10	10
Lyons	10	10	10	10
Manila	10	10	10	10
Medan	10	10	10	10
Shanghai	10	10	10	10
Singapore	10	10	10	10
Sourabaya	10	10	10	10
Tientsin	10	10	10	10
Yokohama	10	10	10	10

HOLIDAY RESORTS

City	Yday	Mid-day	Yday	Mid-day
Algeria	10	10	10	10
Amsterdam	10	10	10	10
Antwerp	10	10	10	10
Bombay	10	10	10	10
Buenos Aires	10	10	10	10
Calcutta	10	10	10	10
Canton	10	10	10	10
Cebu	10	10	10	10
Hankow	10	10	10	10
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Lyons	10	10	10	10
Manila	10	10	10	10
Medan	10	10	10	10
Shanghai	10	10	10	10
Singapore	10	10	10	10
Sourabaya	10	10	10	10
Tientsin	10	10	10	10
Yokohama	10	10	10	10

Store closure: Accountants may be sued

BY MARGARET REID

THE POSSIBILITY of a legal action for negligence against an international firm of accountants is raised by the closure of the West German store company Biebertaus.

UDS Group, the British tailoring and retail concern, which has a 50 per cent. stake in Biebertaus through its half-ownership of the German Hubner Group, faces a slim net loss as a result of ending the Biebertaus venture.

The total loss which the closure of Biebertaus, a Frankfurt department store business, means for Hubner—another store company, which UDS owns jointly with the Turkliiz family—appears

likely to be very substantial in gross terms. This is because the £4m. falling on UDS, which bought its Hubner holding in the earlier 1970s, is only half the sum involved and is after allowing for tax relief.

Biebertaus, acquired by Hubner in February last year, has applied to the Frankfurt Court for liquidation, its 1975 results, together with current performance and prospects, not being considered such as to justify continued trading.

A UDS statement yesterday said: "Pre-acquisition losses of Biebertaus were substantially higher than those indicated by investigating accountants in-

structed prior to its purchase by years. The Hubner Group has been advised by its lawyers that it has a claim for alleged negligence against the investigating accountants."

The accounting firm in question was unnamed but is understood to be an international one. UDS said yesterday that the net loss applicable to it would not exceed £4m., "making no allowance for any recovery arising out of the above claim."

The loss arising from the unsuccessful out-turn of the investment in Biebertaus is the second substantial write-off UDS has had to make in the last two or three

years. It has already fully provided for the £5m. "bad" loan to the collapsed British secondary bank, London and County Securities, at a net cost of about £34m.

Of Hubner Group, which has former interests, UDS said yesterday: "The management of the Hubner Group are confident that Hubner will continue to trade profitably."

UDS, which in 1972 made and later withdrew a £132m. bid to take over the big Debenhams department store group, is to account for the loss concerning Biebertaus as an extraordinary item in its 1975-76 profit and loss account.

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